



THE INDEPENDENT

No 3211

TUESDAY 4 FEBRUARY 1997

WEATHER: Cloudy and blustery

(IR45p) 40p

THE TABLOID

Captured in Kashmir
The hostage Kim Housego tells his harrowing story



THE TABLOID

Fashion
Your chance to go shopping with Ralph Lauren, Nicole Farhi, Ghost...



PEOPLE

Tiger Woods turns Thai



PAGE 2

War of words over childcare

Mothers are key figures for education talk, for talking about homework, for discussing what has gone on in the day

Professor Margaret O'Brien

Glenda Cooper

Children who attend daycare centres have higher IQs and better social skills than those whose mothers do not work, according to a leading child-research institution.

The findings, which encompass eight major studies carried out since the 1960s, contradict research highlighted by the BBC's *Panorama* programme yesterday which claimed that children of working mothers are more likely to fail at school.

That study, carried out by the University of North London, concluded that children whose mothers worked full-time were twice as likely to fail their GCSE examinations as those who worked part-time. The research, concentrating on 600 working-class families in East London, provoked a storm of protest from parents' and women's groups.

But findings by the Institute of Child Health, looking at children entering the school system, showed strong beneficial results for children who received quality childcare. All eight studies showed that IQ was increased and the early cognitive gains prevented later failure at school.

Although the IQ effect became less pronounced as time went on, six



Small beginnings: Children playing yesterday at the Pillar Box Montessori Nursery School in Bow, East London

Photograph: Andrew Buurman

of the trials examined the effect of daycare on later school achievement, including tests in the three Rs. Five out of the six trials showed persistent differences favouring the experimental group.

Children who had daycare were also much better behaved both at home and in class.

By the age of 77, five times as many individuals who did not receive pre-school day care had been arrested on five or more occasions as those who did have daycare.

"In the light of these data, statements about the adverse behavioural effects of daycare can only be interpreted as ideological statements," said Dr Ian Roberts, director of the Child Health Monitoring Unit at the Institute of Child Health, who carried out the overview.

Mothers also benefited when their children had access to daycare. Three out of four trials found that daycare increased maternal paid employment.

In one project all mothers had

comparable education and employment levels beforehand but by the time their children reached four and a half those with pre-school children were less likely to be unemployed or have unskilled jobs and more likely to be financially self-supporting.

"There isn't a scrap of evidence that putting children in daycare while their mothers go to work is bad for their health or education," said Dr Roberts. "On the contrary, the evidence from well-conducted and controlled trials suggests that it's very

good for children." His findings were supported by Colette Kelleher, director of the Daycare Trust, which yesterday reported that only one childcare place exists for every nine children under the age of eight.

"We are aware that quality childcare is what every child should have and it is very positive," said Ms Kelleher. "Daycare needs to be put on the political agenda. It is an issue for government and is as important as health and education."

But Patricia Morgan, research

fellow at the Institute of Economic Affairs and author of *Who Needs Parents? The Effects of Childcare and Early Education on Children in Britain and the USA* disputed the findings. "These intensive-learning programmes are used on highly disadvantaged children," she said.

"These projects are the sort of thing that responsible middle-class mothers are doing anyway. The best programmes are based on good parenting in the real world. It is no miracle."

But Patricia Morgan, research

There isn't a scrap of evidence that putting children in day-care while mothers go to work is bad for health or education

Dr Ian Roberts
Institute of Child Health

The research on which *Panorama* was based reached similar conclusions: "Mothers are key figures for education talk, for talking about homework, for discussing what has gone on in the day," said Professor Margaret O'Brien, who carried out the research. "It appears that for children who are living in households where the mother is working part-time she is around more at that time of day when the children want to talk about these issues."

Another study highlighted in the programme identified "middle-class deprivation" among 100 well-to-do Californian families. Six-year-olds whose mothers worked full or part time did worse in tests than those with stay-at-home mothers.

But Dr Roberts stressed that financial status played a large part in influencing the kind of care children received. "These findings clearly have important implications for equity in education," he said. "Access to high-quality pre-school education is currently rationed on the basis of being able to pay for it. As a result public provision of primary-school education does not provide for equality of educational opportunity, since some children start school with a considerable educational advantage."

Polly Toynbee, page 15

Britain's poorest face losing legal advice

EXCLUSIVE

by Patricia Wynn Davies, Legal Affairs Editor

Some of the poorest and most disadvantaged people would be hit under controversial plans by the Lord Chancellor's Department to abolish the legal aid scheme for criminal cases.

Gary Streeter, the Home Office minister responsible for legal aid, is expected to decide within a fortnight whether to sweep away the "green form" scheme which allows legal advisers to give up to two hours' free advice without authorisation from the Legal Aid Board.

The proposal, which would not require legislation, is understood to have the personal

backing of Mr Streeter, who has championed legal aid reform. Legal campaigners say the move, intended to speed up the legal process, will lead to greater delays and higher costs.

Some lawyers have warned that if Mr Streeter presses ahead with abolition rather than amendment of the scheme, he would open himself to the risk of judicial review in the courts.

Moves to introduce the change have been made almost by stealth, with minimal consultation over a few weeks instead of the several months allowed by the department.

A letter from a departmental official last month stated: "Our provisional view... is that we should remove advice on criminal matters from within the scope of the green form scheme." But the letter was sent only to the Law Society, the solicitors' professional body, and not to other welfare, legal and campaigning groups.

The department appears to want things both ways. Some £23.6m was spent on criminal green form advice in 1995-6, involving 377,564 acts of assistance. Yet, said the letter: "We have some difficulty in under-

standing what it is the green form is being used for that could not and should not be properly covered in other ways."

The Law Society and campaigners from the Legal Action Group say the scheme is essential in two main categories of case: where a person is under investigation by the police and has not yet been charged; and where cases are not serious enough for representation under the full legal aid scheme. The latter might include those not involving risk of imprisonment, or failure to pay a television licence.

The free advice is often needed while applications for full criminal legal aid, now subject

to rigorous means testing, are being considered.

The move has also come at a time when the Lord Chancellor, Lord Mackay of Clashfern, is warning magistrates to cut down on the number of adjournments. Vicki Chapman, policy officer for the Legal Action Group, said: "More adjournments will be required if preliminary work has not been done or unrepresented litigants have been unable to get advice before arriving at court. Far from speeding things up, this change would cause greater delays and add to costs."

The group has warned that people who couldn't get help under the scheme would now

turn to court or police station duty solicitors, threatening the viability of schemes in some areas. The upshot could be that there are no significant savings.

Under current regulations there is no clear demarcation between work that can be done under various parts of the legal aid scheme. But Russell Wallman, director of policy at the Law Society, said: "Of course, the Government must make sure there is no duplication. That does not call for the scrapping of the scheme in its entirety. The green form scheme exists specifically to give people advice about their legal position in situations where they are not having representation in court."

Clangers open surrogate election campaign

Anthony Bevins
Political Editor

A surrogate general election campaign opened with a display of confusion and fumbling self-contradiction in Wirral South yesterday.

Even before the Government Chief Whip had moved the last-minute Commons writ for a Wirral South by-election on 27 February, Michael Heseltine, the deputy prime minister, had dropped a clanger on his own candidate, saying he expected the Wirral voters to give the Tories a good hiding.

Later, as if to provide political balance, Labour faced both ways on the delicate issue of Wirral grammar schools, saying it would not abolish them but would give parents the right to get rid of them.

Unveiling the latest anti-Labour poster in London, Mr Heseltine said: "There are a lot

of people around who see by-elections as an opportunity to kick the Government, and we would expect to see that." One party stalwart in Wirral South yesterday said Mr Heseltine might be of more use "if he kept his big gob shut".

Stephen Dorrell, Secretary of State for Health, the duty Cabinet minister in the constituency yesterday, was more diplomatic: "Mr Heseltine was answering, no doubt, a different question," he said on a walkabout in Heswall, the most prosperous part of the constituency.

Mr Dorrell was less than certain when pressed to give a firm promise that the by-election would not be aborted by a decision to call a snap general election for March, to avoid humiliation in Wirral South and a possible Commons defeat in a confidence vote.

The *Independent* asked Mr Dorrell seven times for a pledge-



CAM-PAIN IN THE A...

that the by-election would be held on 27 February. At the second time of asking, he said: "I, er, there's, er, it's absolutely clear we're moving a by-election writ, er, because we intend there to be a by-election (sic) to be held."

Les Byrom, the Conservative candidate, told *The Independent* he had not got a clue as to whether John Major would pull the plug on his by-election campaign. "We have a by-election to fight and the people of Wirral South are very important in that respect," he said. "But there's also the national interest as well, and I don't know what the Prime Minister has in mind."

John Prescott, Labour's deputy leader, said in the constituency that it would be an "outrage" if Wirral South's voters were offered a by-election, only to have it withdrawn because of a Tory decision that a general election would help out their losses. Labour's deputy leader also said Mr Heseltine had "thrown in the towel" even before the fight had begun.

But Labour descended into disarray of its own, with candidate Ben Chapman saying local grammar schools were under no

threat of closure "unless, as we have said, the parents choose to change the admissions policy."

"The parents can, if they so wish, have a ballot on the future of the grammar schools."

Mr Major today will risk alienating Britain's European partners by taking the British election to Brussels with a warning that the social chapter is a "Trojan Horse" which will destroy jobs. The Prime Minister will use a conference of European businessmen to attack the Social Chapter and Labour's plans to end Britain's opt-out from European regulations.

Federal threat, page 8

The PEP
that likes
to say

NO

NO salesmen.
NO commission.
NO jargon.
NO hassle.

direct
personal financial service

0345 95 95 95

Open seven days a week from 9am to 7pm.
For the Growth PEP, minimum investment £30 a month or £1,000 lump sum.
For the Income PEP £5,000 lump sum only.

Virgin Direct Personal Financial Service Ltd is regulated by the Personal Investment Authority. The price of units and any income from them can go down as well as up and you may not get back all the money you invest. For your security, all calls to Virgin Direct will be recorded and randomly monitored.

CONTENTS	
The Broadsheet	
Business & City	16-20
Comment	13-15
News	2-11
Home News	2-7
Leaders, Letters	13
Obituaries	12
The Tabloid	
Arts	4-7
Arts Reviews	19
Crossword	22
Health	10, 11
Listings	20, 21
Media	14-16
Network	9-13
TV & Radio	23, 24
Weather	22

news

significant shorts

Police re-arrest stepfather of missing schoolgirl

Police investigating the disappearance of the missing schoolgirl Zoe Evans were last night questioning her stepfather in connection with her suspected killing. Detectives arrested Miles Evans, 23, at lunchtime yesterday. Nine-year-old Zoe has been missing for more than three weeks after disappearing from her home on an army base in Warminster, Wiltshire, on 11 January. Detectives began to fear that she had been killed when they found bloodstained items of her clothing on a railway embankment.

Despite extensive searches by police, soldiers and civilians, Zoe has still not been found. Officers also studied closed-circuit television pictures taken in a Warminster shopping centre shortly after Zoe's disappearance showing a girl matching her description walking with a man and a woman.

Shortly after Zoe's disappearance, her mother and stepfather appeared at a televised press conference to appeal for information. Mr Evans was arrested two weeks ago and held for questioning for four days before being released without charge. **Matthew Brace**

Bill monitors abuse case evidence

Suspected rapists and child abusers will be supervised to prevent evidence in their cases from being circulated as pornography in prisons under a new law which has government approval. The Bill, which has been put forward by Robert Hughes, Conservative MP for Harrow West, would prevent defendants from seeing sensitive material unless they are accompanied by a solicitor, prison official or police officer.

There has been concern that details of assaults, including explicit photographs and statements, have been distributed among inmates in prisons. In some child abuse cases, pictures have been swapped among paedophile groups outside the penal system. **Fran Abrams**

Suspected war criminal's illness



Representatives of an alleged war criminal from Surrey whose trial collapsed last month when a jury found him mentally unfit to face charges had not told government law officers that he was suffering from Alzheimer's Disease, the Lord Chancellor, Lord Mackay of Clashfern, said last night. Lord Mackay said at question time: "Attorney General Sir Nicholas Lyell would expect to take account of any

available medical evidence when deciding whether to consent to the bringing of proceedings under the War Crimes Act."

In the case of Symon Serafinowicz, the 86-year-old retired carpenter charged with murdering three Jews on the eastern front, Sir Nicholas "did offer the defendant an opportunity to submit any such evidence". The Lord Chancellor added: "At the time, the Attorney General caused inquiry to be made to those representing the defendant whether there was any medical bar to a prosecution and whether the defendant wished to make representations to the law officers as to his health, mental or physical. But no representations were forthcoming."

Nurses suspended after baby dies

Two nurses have been suspended from duty after a baby girl died in hospital. An internal investigation is now under way at Burnley general hospital in Lancashire into the death of the newborn infant in the neonatal intensive care unit two weeks ago. A separate coroner's investigation is also being carried out and an inquest will be held. Police said they were aware of the investigations, but it is understood that no criminal allegations have been made.

Motorist accused of fatal road rage

A motorist shot dead one man and seriously wounded another in a case of "road rage taken to extreme", a court heard yesterday. Car dealer Lee Gardiner, 25, allegedly warned two terrified witnesses who had watched shootings: "You don't know me. I'm a bad boy. I'm a gangster."

John Bevan, for the prosecution, said: "It was as clear intent to kill as one could imagine." Southwark Crown Court heard that the late-night confrontation occurred in May 1996 after a minor collision between Mr Gardiner's Renault 5 and a Mitsubishi car.

Inmates sought for new boot camp

Prison officials are searching for up to 12 inmates to be sent to the country's second "boot camp" for young offenders which will open this month. The camp, sited in the grounds of the Military Corrective Training Centre at Colchester, will be run by military instructors and offenders will face a tough regime in austere conditions. Inmates who break the rules face being sent back to jail. The camp will eventually house 30 prisoners. **Jason Bennetto**

people



Tiger Woods: The best is yet to come, say golfing pundits Photograph: Empics

The man people say will be the black Jack Nicklaus

Thai governments are rarely accused of not being pragmatic, or to put it another way, opportunistic. This helps explain why Tiger Woods, the new wunderkind of the international golf circuit, is being claimed as one of Thailand's own.

Woods is nothing short of a phenomenon. His career would be incredible even if it were not for the fact that he is black, still a rare thing on the highly conservative international golf circuit. In short, he has taken his sport by storm since turning professional last year and the pundits are predicting remarkable things. He will soon become as potent a symbol of black achievement, they say, as Muhammad Ali or Michael Jordan. He will be the black Jack Nicklaus.

In Thailand, excitement is rapidly reaching fever pitch, in anticipation of Woods's arrival today. Why? Because the American, whose mother is Thai, will be offered Thai citizenship and a royal honour at a ceremony attended by the usual circus of publicity seeking politicians.

"Fact is," wrote a Thai columnist, "we Thais absolutely adore anyone who is rich and famous - and when the rich and famous can throw in a bit of Thai-ness as well, then it's certainly time to break out the flags and get really carried away."

The problem, however, is that the offer of citizenship to Woods has only succeeded in highlighting Thailand's archaic and highly discriminatory laws relating to children of mixed marriages and the difficulties non-Thais have in acquiring citizenship.

Bottom of the pile are the children of Thai women married to foreigners, even if, unlike Woods, who does not speak Thai, they live in Thailand. These children are deprived of most civic rights and cannot, for example, own land.

Although Tiger Woods is well respected, the offer of citizenship is raising eyebrows because it is clear that he is essentially an American, whereas many Thai residents have a much stronger claim to citizenship but have no hope of acquiring it. Tida Woods, Tiger's mother, has been doing her best to demonstrate that her son has some Thai influences in his life. She says he was brought up as a Buddhist and, like many Thais, wears a Buddhist amulet round his neck.

However, Woods may not be able to avail himself of the honour because the US frowns on dual nationality. He will have less trouble accepting the \$500,000 appearance fee for joining a golf tournament in one of Thailand's many luxurious golf clubs this week.

Stephen Vines — Bangkok

Bosnia veteran takes over as Army chief

General Sir Roger Wheeler, the son of a distinguished Army general, took over as the new head of the Army yesterday.

Gen Wheeler, who was Commander-in-Chief Land Command, replaced General Sir Charles Guthrie, who is to become Chief of the Defence Staff.

Gen Wheeler, 55, was selected as the new Chief of the General Staff from a strong list of contenders, including General Sir Michael Rose, who is currently Adjutant General and will now retire in the summer.

The former SAS commander became a household name when he commanded United Nations forces in Bosnia in a high-profile 12-month operation.

Gen Wheeler was commissioned into his father's regiment, the Royal Ulster Rifles, in 1964. His early military career saw service in Borneo and the Middle East. He served as a brigade major during the 1974 Cyprus emergency and was a member of Lord



Gen Wheeler: Distinguished

Carver's staff during the 1977 Rhodesia talks.

He later commanded British forces in Northern Ireland between 1993 and 1996, and was Commander of the 1st Armoured Division on the Rhine between 1989 and 1990.

Gen Wheeler lists his interests as fly-fishing, cricket and shooting. Not surprisingly, he belongs to the Army and Navy Club.

Women, 50, gives birth to triplets

A 50-year-old woman has become the country's oldest mother of triplets in what is described by her gynaecologist as "the chance of the century".

Sue Green from Peterborough, Cambridgeshire gave birth to triplets Oliver, Aaron, and Samuel, on 8 November last year, nine weeks early. The multiple birth makes Mrs Green the second oldest mother of triplets in the world, after a 57-year-old Italian woman who gave birth in 1994.

Mrs Green and her husband Steve, 29, paid £4,500 for private in vitro fertilisation treatment after the NHS said she was too old to be helped. She already has five children from a previous relationship of whom the oldest is 30.

She had three embryos implanted last April and within two weeks discovered she was expecting triplets. "I laughed my socks off - I was thrilled," she told the Sun.

"I may be 50 but I feel no different from when I had my first child 30 years ago. I am full of life and was determined to prove the doctors wrong."

Glenda Cooper

briefing

CIVIL LIBERTIES

Benefit crackdown Bill may compromise rights

Plans for the pooling of information by Government departments to crack down on social security fraud could violate the European Convention on Human Rights, two barristers have warned in a legal opinion. The opinion, drawn up by Richard Drabble QC and Dinah Rose for Liberty, the civil rights organisation, advises of a "substantial risk" that the Social Security Administration (Fraud) Bill would breach Article 8, which guarantees the right to respect for private life and correspondence, because of the breadth of the discretion in the Bill and the lack of safeguards for the prevention of abuse.

The Bill would allow the Inland Revenue and Customs to pass information on individuals for use in the prevention, detection, investigation or prosecution of social security offences. Other Government departments would be allowed to pass information on immigration matters or "any other matter which is prescribed" to the Department of Social Security, while the department will be permitted to pass information to councils administering housing or council tax benefit. **Patricia Wynn Davies**

SHOPPING

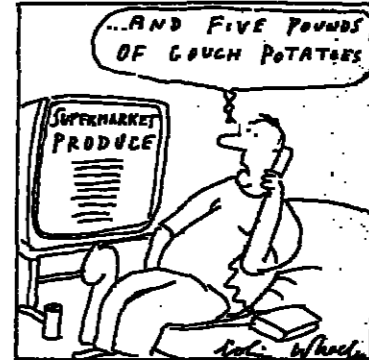
Threat to supermarket supremacy

The weekly visit to the local supermarket could soon be a thing of the past, according to a shopping survey by property consultants Healey & Baker. It forecasts a growth of the "doorstep delivery" market to around £8.5bn, with 20 per cent of the population buying their groceries through home shopping services or "drive-thru" operations.

The study suggests that shoppers value choice and convenience above price. Almost half those surveyed said they did not choose to shop in the stores they believed offered the lowest prices.

Tesco is already running an Internet shopping trial in West London and is extending the service to five new areas. Sainsbury's is running an "Order & Collect" service at its Watford store, where customers phone through their order then drop by the store to collect it.

According to the report, 21 per cent of shoppers would be interested in a home delivery service and 11 per cent in an "order and collect" system. **Where People Shop 1997, Healey & Baker. Tel: 0171 514 2112. Nigel Cope**



EDUCATION

Students missing out on training

Thousands of potential students with disabilities or learning difficulties are missing out on education and job training because colleges lack the resources to provide for them. A study of provision for students with special needs in 460 further education colleges in England claimed their numbers could be double the 1996 figure of 126,000 if all demand was met.

The Mapping Provision study, by the Institute of Employment Studies, also found almost a third of colleges admitted they could not cater for all the special needs of existing students. Lack of trained staff and inadequate resources again took most of the blame.

Mapping Provision, £13.95, the Stationery Office, PO Box 276, London, SW8 5DT. Tel: 0171-873 9090. Lucy Ward

CHARITIES

Donations stagnant since Lottery

Complaints that the National Lottery has adversely affected the finances of British charities are likely to be revived with the publication of a report showing that the level of public donations has stagnated since its inception.

According to the Barclays/NGO Charity 100 Index of leading charities, total incomes rose by an average of just 0.7 per cent between October 1995 and October 1996. However, between January 1992 and January 1995, charity incomes had rapidly outstripped the Retail Price Index, with an average year-on-year increase of 8.75 per cent.

The index tracks a variety of sources of income, not all of which can be affected by the lottery. Nevertheless, fund-raising managers are likely to be alarmed by the analysis, published in the magazine **NGO Finance**.

ECONOMICS

South East leads productivity

Britons created £594bn of wealth, or an average of £10,137 for each individual, according to economic figures for 1995 released by the Government yesterday.

The gross domestic product (GDP) figures, published by the Office for National Statistics, showed the South East was the most productive region - with 31 per cent of the total population it accounted for 35 per cent of the nation's wealth.

London had the highest GDP per head in the UK at £12,500. By contrast, the rate per head for Wales was £8,440 and for Northern Ireland it was £8,410. Outside the South East, East Anglia was the only region to exceed the £10,000 mark - with £10,226.

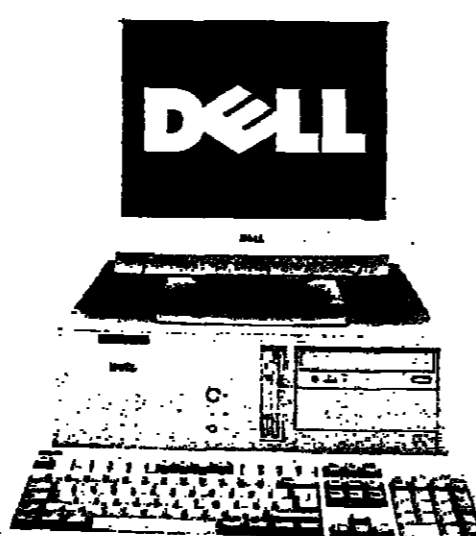


NEWSPAPERS SUPPORT RECYCLING
Recycled paper made up 41.2% of the raw material for UK newspapers in the first half of 1996

Better Spec. Better Price. Better Hurry.

- DELL DIMENSION XPS M166s
- INTEL® 166MHz PENTIUM® PROCESSOR WITH MMX™ TECHNOLOGY
 - 16Mb SDRAM
 - 512Kb CACHE
 - 3Gb EIDE HARD DRIVE
 - STB POWERGRAPH 64 3D PCI GRAPHICS CARD WITH 2Mb VIDEO MEMORY
 - 15" COLOUR SVGA MONITOR (13.75" VIEWABLE AREA)
 - TWELVE SPEED CD-ROM DRIVE
 - MID-SIZED DESKTOP CHASSIS
 - INTEGRATED 16-BIT SOUND
 - WINDOWS 95 & MICROSOFT OFFICE PROFESSIONAL 95

£1,199 (£1,438.20 incl. delivery & VAT)



pentium®

With Dell, things just get better and better. For only £1,199 (£1,438.20 inc. del. & VAT), we're offering a Dell Dimension® XPS M166s with a Pentium® Processor with MMX™ technology. Because it comes with MMX technology it can run between 10% and 20% faster under today's normal business applications. It also includes a powerful 12 Speed CD-ROM Drive and a 3Gb Hard Drive. And we're giving you additional upgrades at outstanding prices (see below to upgrade this system further). But you must hurry. Call the world's leading direct PC manufacturer* today on 01344 724854 for a much better deal all round.

Upgrade Options

Add an additional 16Mb RAM and an upgrade to ACS290 speakers Only £100 (£117.50 inc. VAT)

Add a 33.6 Internal Modem Only £99 (£116.33 inc. VAT)

(CALL NOW FOR DETAILS OF WINDOWS 97 UPGRADES.)

*Source: IDC

DELL®

TALK DIRECT TO THE NUMBER ONE.
01344 724854
Between 8am and 8pm weekdays, 10am to 4pm Sat.

Dell and the Dell logo are registered trademarks and Dell Dimension is a trademark of Dell Computer Corporation. The Intel Inside logo and Pentium are registered trademarks and MMX is a trademark of Intel Corporation. Microsoft, Windows, Office Professional 95 and the Windows logo are registered trademarks of the Microsoft Corporation. Delivery at £75 (C29.57 incl. VAT) per system. Finance is available subject to credit. Full details available on request. Prices correct at date of publication. The photographed product may not always match the specifications in this advert. Prices quoted refer to specification descriptions only. The prices listed reflect the information available at the time of going to print. Prices change frequently. All prices and specifications are subject to change without prior notice or obligation. Offer supplied with Windows 95 or if requested Windows 97. Dell mouse and keyboard included. Dell Computer Corporation Ltd, Milbank House, Western Road, Bracknell, Berkshire RG12 1RD. Offer available for a limited period only.

All you need is a luvvie

Under Blair's new scheme stars will use their millions to help young hopefuls

David Lister
Arts News Editor

Showbusiness millionaires are giving a mixed reception to a Labour Party plan to help fund young performers with earnings from their royalties.

Paul McCartney, Mick Jagger, Elton John, Sir Andrew Lloyd Webber and Sir Cameron Mackintosh are among the millionaires that Labour is wooing for a radical scheme to help finance the arts. The scheme announced yesterday by Tony Blair would involve the establishment of a new National Endowment for Science and the Arts (Nesta) to which successful artists and inventors would donate or bequeath copyrights or patent royalties to generate money for a new generation of creative talent.

There are likely to be tax inducements for donors. The scheme would not be compulsory. By last night, however, there was a dearth of firm pledges to support what is one of the key planks of the party's arts policy.

Sir Cameron Mackintosh, a name definitely on the list of people the Labour arts team would like to contribute to the Nesta funds, ruled out leaving money to Labour's new endowment scheme. He said he would leave royalties

As well as the big megastars there would be small endowments

from his shows, which include *Miss Saigon* and *Les Misérables*, to the Cameron Mackintosh Foundation, the charitable foundation that he has set up.

He added that he has always voted Conservative in the past, but said yesterday he did not know yet how he would vote at the next election.

A spokesman for Sir Andrew Lloyd Webber said Sir Andrew had not been approached about the scheme.

Mick Jagger also said he was unaware of any approach and knew nothing of the scheme. He would not be drawn on whether he would give money to such an endowment.

However, Sir Paul McCartney and Elton John are understood to have shown some interest. Labour Party sources claimed they had been supportive.

Sir Paul was not available for comment yesterday, but he is thought to have been particularly impressed with the argument



Money for art's sake: Lord Attenborough greeting Jeremy Isaacs yesterday at the Mansion House where Labour launched its proposals

Photograph: Brian Harris

that by leaving royalties from a particular recording to the fund, he could be sure that the profits from his work would remain in the country and fund talented young people.

A spokesman for Elton John said the singer gave the royalties from his singles to the Elton John AIDS Foundation, but he was very supportive of new British talent both in music and in fashion. Labour sources are confident that the singer will support Nesta.

The key people behind the new policy are film producer Sir David Putnam, an adviser to Labour's arts team, and John Newbigin, a former adviser to Neil Kinnock, who now works at Sir David's company Enigma Productions.

Mr Newbigin said yesterday: "If this scheme had been up and running 20 years ago The Beatles might not have sold their copyrights to Michael Jackson."

"But as well as the big megastars there would be small endowments. We are a world leader in fashion, design, music, advertising, and product design.

We would envisage hundreds of these endowments being set up."

The Labour arts team is understood to be exploring ways to make the endowments "tax efficient" so there would be an incentive, in addition to altruism, to encourage successful artists to give money.

It may have seemed just as odd to leave land to the National Trust

Sir David Putnam said yesterday: "I would be very disappointed if we couldn't get a trust fund that would generate £100m a year of investment income."

The money, he said, would be invested in people, in Britain's future.

Asked if he had in mind Sir Andrew Lloyd Webber, perhaps, bequeathing in his will the royalties from one of his mu-

sicals, Sir David replied: "That would be a very good example."

And he added: "The National Trust is the largest membership organisation in the world. It has done an extraordinary job in promoting the physical heritage."

"We have another heritage, intellectual property rights of all sorts, from music to design. At present intellectual copyrights bring in \$50bn (£31bn) a year and that figure is growing by 15 per cent per annum."

The scheme was condemned yesterday by the Secretary of State for National Heritage, Virginia Bottomley, who said: "This luvvie's charter confirms my worst fears."

"This Labour scheme for a political-correct Lottery will be at the expense of communities up and down the country."

Admitting it was an unusual idea, Sir David Putnam said yesterday: "It must have seemed just as odd a suggestion to leave your land and buildings to the nation when the National Trust was set up."

How the trust would work

Nesta, the Labour Party's National Endowment for Science and the Arts, is designed to encourage successful performers, designers, inventors and artists to give or bequeath money to an endowment fund to help finance young talent. Tax inducements are being explored. A tranche of lottery money would also be used to swell the fund.

The Labour leader, Tony Blair, said yesterday: "I believe we must approach the promotion of excellence in a more structured way. That is why we want to create a National Endowment for Science and the Arts to invest in new talent and promote public understanding of the arts, science and technology. It would work through existing organisations, both public sector and voluntary, to identify the talent of tomorrow, and provide the support that is so important to help it flourish."

"The endowment would be launched with tranches of lottery funds after the millennium, and be built up with gifts or assignments of copyrights and patent royalties to support the next generation, in the same way the National Trust encourages endowments of land and property. Nesta will therefore be self-financing... a 21st century National Trust for talent in Britain, backing human capital rather than buildings."

The money men



Sir Andrew Lloyd Webber: The Sunday Times' 500 richest people in Britain ranks him 22nd with £550m



Sir Paul McCartney: Ranked 30th, has a fortune estimated at £420m. His company, MPL, is worth £100m



Sir Cameron Mackintosh: Ranked at 55, is said to be worth £250m. *Les Misérables* alone has brought in £600m



Elton John: Ranked 115th, is worth some £140m with musical copyrights of more than £70m



Mick Jagger: Ranked 145th, worth £110m and said to study the stock market between gigs

'Miracle cure' man jailed for 21 years

An epileptic who coined cash out of a church congregation by duping them into believing he was brain damaged and confined to a wheelchair, then faked a miracle cure during a service, was jailed for 21 months yesterday.

Birmingham Crown Court had heard that Paul Redhead, 29, from Coventry, staged the "Lazarus re-enactment" to show how foolish Christians were after becoming bored with having to use a wheelchair.

The hoax was dreamed up by Redhead and his flatmate Peter Callister, 24, who was jailed for 15 months, when the epileptic was given a temporary wheelchair after suffering side effects from his medication which left him with a lack of balance.

The chair was integral to the scam as the pair embarked on the charade that Redhead had been brain damaged since birth after being starved of oxygen.

In August 1995 the pair began attending the Elm Pentecostal Church in Coventry. The congregation was fooled into believing that Redhead was severely disabled. After hearing of a "burglary" in which £116 intended for a new wheelchair was supposed to have been stolen, the congregation and a number of local businesses began fundraising and opened a charity bank account.

Last February, fearing the scam was getting out of hand, the pair staged Redhead's "cure". The church's attempts to seek medical verification led to Redhead's downfall. When confronted, Redhead admitted it had been a con and in a tirade against religion claimed he had done it to prove how "foolish and gullible Christians were".

Red faces as Uefa admits World Cup backing for Germany

Steve Beggan

There was embarrassment yesterday at the headquarters of Uefa - European football's governing body - as officials admitted that Germany's bid to stage the World Cup in 2006 had been supported, ahead of an English claim, without formal nomination, discussion, voting or competition.

However, Uefa officials insisted that nothing underhand had happened and that support for Germany was forthcoming only because it was believed no other European country planned to make a bid.

The admission added weight to the Football Association's claims that it had been "stitched up" over Uefa's intention not to consider an English bid.

John Major threw his weight behind the FA's cause, saying an English World Cup could be executed with skill and style. "The last time we played Germany, we lost on penalties," he said. "It was an extremely good game. We were very unlucky to lose. Whether we will lose as far as 2006 is concerned is a long way away." The Prime Minister offered the Government's full support and assigned Iain Sprouat, the Sports Minister, to co-ordinate the bid.

Uefa wrote to the FA last night asking for a meeting but it seems unlikely it will withdraw its support for Germany.

Although some newspapers have made much of the influence within Uefa of two Germans, Gerhardt Aigner, the general secretary, and Egidius



Bert Millichp: Would have been aware of the situation

Braun, vice-president of Uefa's executive committee, the current problems appear to have been caused more by an appalling lack of communication than of double-dealing.

"There are only five countries in Europe capable of hosting the World Cup but three had hosted it too recently and, when we were discussing it, England was tied up with Euro 96," said Fritz Ahlstrom, Uefa's media director. "Germany submitted a formal bid to FIFA [the world football governing body] on 1 June 1993, and from that moment onwards, everyone simply assumed that was the only bid."

"Certainly, England never said they were making a bid - we have still not received any formal notification that they plan to. Uefa's official support for Germany is not recorded in any minutes - we have checked

- but we ask people to believe us that it was discussed at executive committee meetings and it was taken for granted that Germany's was the only bid."

"It was never on the agenda because there was nothing to vote on - there was only one country as far as we knew - so it was not mounted."

Uefa said England's representative, Sir Bert Millichp, former chairman of the FA, was present and would have been aware of the situation. Sir Bert refused to comment yesterday.

Mr Ahlstrom said Sir Bert and Graham Kelly, chief executive of the FA, were party to a decision in Portugal last year in which Uefa suggested to FIFA that only one candidate from each of the four footballing continents should be considered as World Cup hosts. At the time, he said, it was "generally accepted" that Germany was the only European bidder, and Sir Bert knew that.

Similarly, Uefa's claim not to know of England's intention to bid was rejected by the FA. David Davies, the FA spokesman, said FIFA was told last October that an English bid would be forthcoming. And he said the FA had a video, taken in November, showing Mr Braun, making a speech in which he said he looked forward to the "friendly rivalry" between England and Germany over hosting the World Cup.

FIFA said yesterday that Uefa's decision would have no bearing on its choice and that there was nothing to stop any member making a bid.

Up to £6,000 cashback. Is it Christmas already?

Move your mortgage to TSB and you could receive up to £6,000 cashback. That's enough to pay for a holiday if you've been good. Or settle some bills if



you've been naughty. Either way, you should still have a bit left over. So take up the challenge now, call TSB PhoneBank free on the number below for a quotation.

CALL FREE 0500 758 000 Quoting ref INC1

Mortgage Quotation Line

TSB We want you to say YES

Typical example: based on an endowment mortgage of £40,000 on a property valued at £60,000 repaid over 25 years (600 monthly payments) to finance a home purchase for a non-smoking couple (male aged 27 and female aged 25 years). Monthly payments at TSB's standard variable rate, currently 7.25% (APR 7.54%), would be £214.48. Total gross amount payable (TAP): £112,738. APR and TAP include typical legal fees, £110. Example assumes TSB Property Plus TSB MortgageSave (normal minimum term 1 year and 1 month respectively) and a TSB Homebuyers Policy have been taken and a cash sum of £1,696 has been taken on an alternative to a one year discount of 4.74%. For mortgages over £16,001, Assignment/Consent of a suitable life policy may be required by the bank as security. Tax relief at 15% on £20,000 is assumed. The value of units in a unit-linked endowment or pension plan can go down as well as up and the cash value of your plan is not guaranteed. TSB charges account required. Applicants must be aged 18 or over. Subject to status. Not available in the Channel Islands. Where quotations available on request. Calls may be recorded and monitored. TSB Bank plc and TSB Bank Scotland plc are representatives of the TSB Marketing Group, which is regulated by the Personal Investment Authority only for TSB life insurance, pensions, unit trusts and offshore investments. Advice or recommendations made only to the investments of the TSB Marketing Group. TSB Bank plc, Victoria House, Victoria Square, Birmingham B1 1BZ. Registered in England and Wales. Number: 1069265. TSB Bank Scotland plc, Henry Duncan House, 120 George Street, Edinburgh EH2 4LN. Registered in Scotland. Number: 05221.

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.

news

Boy drivers saved from blazing car

James Cusick

Two stepbrothers aged 12 and eight were pulled from a blazing car by police early yesterday after a joyride which ended with the vehicle smashing into a pub after being driven the wrong way along a dual carriageway.

The two officers who risked their own lives pulling the two boys to safety were praised for their bravery by their boss. Superintendent Phil Hollowood, of Greater Manchester Police, said that the selfless action of Constables Simon Waddington and Jackie Pandlebury had probably saved the boys' lives.

According to police, the 12-year-old had been at the wheel of the stolen Vauxhall Cavalier as it was driven around Manchester and Salford in the early hours of yesterday morning. The police officers, who were on patrol in a Transit van, spotted the car near a shopping precinct in Salford at 3.40am.

The police Transit pursued the joyriders with its siren switched on and its lights flashing. However, instead of stopping the stolen vehicle accelerated away and headed down a dual carriageway - going in the direction of on-coming traffic.

As the chase continued the boy-driver lost control and the car

Stepbrothers, aged 12 and 8, crashed vehicle into public house

smashed into the wall of a derelict public house in Salford before bursting into flames.

Supt Hollowood said that the officers smashed a side window to break into the car "despite the considerable risk to them", and pulled the two boys away from the flames.

He added: "Their prompt and very brave action may have prevented more serious injuries and quite possibly saved the boys' lives."

Both boys were taken to the Royal Manchester Children's Hospital. The 12-year-old was allowed home after receiving treatment for shock and minor cuts.

However, his stepbrother, who had been sitting in the front passenger seat during the chase, is still in hospital being treated for back and other internal injuries. His condition was described as "stable but serious".

Under-age joyriding is now re-

garded by police as an almost established criminal problem. Although teenage joyriding in cities like Belfast is well documented, some inner-city housing estates in areas of mainland Britain have also become arenas for regular joyriding by youngsters.

The problem of joyriding and other car-related acts now accounts for 1.3 million recorded crimes annually. Vehicle crime, on average, has risen by 5 per cent since 1985.

Greater Manchester Police said the circumstances of the joyride, the police chase and the crash, were being fully investigated by an officer from another police force as "standard procedure".

The car is understood to have been stolen in Stretford, Greater Manchester, on Saturday. Police believe it may have been used in a crime in Prestwich, Manchester, and later abandoned somewhere. The two boys may have found it, entered and driven off, sometime early yesterday morning.

Speaking about the incident that could have cost his two sons, their father said they must have sneaked out of the house at 3am.

"I don't know how they managed to start the car. They've never done anything like this before," he said.



Shut down: Hammersmith Bridge yesterday after its controversial closure for repairs. The fears of motoring organisations of huge traffic jams around the bridge in west London, which was used daily by 30,000 vehicles, did not materialise. Photograph: Nicola Kuntz



If you're not with us,
challenge us to give you a
better savings rate.

TAKE THE SAVINGS

CHALLENGE

FOR A WINNING RATE!

Call free on **0500 30 20 10** (quoting ref SC07)

Mon - Fri, 8am - 8pm. Weekends, 9am - 6pm.

At Nationwide we've compared our rates to the top 30 banks and building societies. So, if you're not currently with Nationwide, why not give us a call or pop into your local branch to see if you can get a better savings rate. Be a winner. Take the Nationwide Savings Challenge now.

Find us on the Internet at <http://www.nationwide.co.uk>



Nationwide Building Society, Pipers Way, Swindon SN38 1NW.

Militant men declare war on 'social evil' of feminism

Barrie Clement
Labour Editor

An organisation for militant males - denounced as a group of "sad misogynists" by its critics - is bombarding the Equal Opportunities Commission with complaints about the treatment of men.

A group of activists belonging to the United Kingdom Men's Movement is intent on "gunning up the works", according to commission officials.

The movement is fighting feminism which it regards as "the greatest social evil of our time" and calling for the abolition of the commission and the repeal of equal rights legislation.

Members of the Men's Movement have embarked on a campaign to inundate the commission with calls urging action over a series of alleged inequities which serve to undermine the role of men.

Officials at the commission are frustrated by the onslaught because some of the complaints have substance. However, officials are also aware of the organisation's aim to destroy the commission.

"There might come a stage when the public service requirement - whereby the commission is duty-bound to respond in detail to inquiries - becomes ridiculous," said one source close to the commission.

The Men's Movement's latest broadside against "political correctness" came yesterday when it attacked a decision to abolish the lower height limit for firefighters in Northern Ireland because it amounted to indirect discrimination against women.

The commission had pointed out that more women were

below the height of 5ft 6in than men.

The men's group yesterday issued a statement pointing out that the maximum height requirement of 6ft 4in discriminated against men because there were more of them above that height.

George McAulay, of the Men's Movement, yesterday argued that height was an important ingredient in assessing whether someone was capable of doing the job.

He said his organisation, of which he is Scottish chairman, formed the "shock troops in the campaign for men's equality". He contended that men suffered discrimination over employment, pensions and divorce. Unmarried fathers had few rights as far as their

There might come a stage when the duty to respond is ridiculous

children were concerned, he said.

Critics of the Men's Movement, which is funded by a claimed membership of "a couple of thousand", argue that its membership varies from intelligent, rational individuals to "nasty people with chips on their shoulders".

Some members have allegedly been abusive on the telephone to officials at the commission and have been told that their inquiries and communications will only be dealt with by letter.

DAILY POEM

THE POX IN ROSELAND
by Norman Jope

The poppies multiply as wasps get larger.
Wheatfields lose their boundaries. The houses ripen.
Free papers move across the seeded mudplots.
Dashing out what brains they have on polished fences.
As the Datsuns, Vauxhalls, Fords, Toyotas, Ladas, Audis
Grind into the drives. Keys turn, to prise
A pinnied kiss, a six-cal mini-supper and a night of
Sitcoms. A freight train goes over clayey
Sub-soils. The single village pub is filled with brags
Concerning dividends and food in baskets. The poppies
Wave. The wasps fake honeycombs. The bees
Have almost burst with pollen - are obese, asthmatic -
And they humbly heavily. A circle swells
In ripening corn, a mile into the fields.
That no-one sees. The shadow of the trolleys
On the local drive-in Sainsbury's reads
Mene, Mene... And he tells her
It is over, that the figures will not balance
And that chaos theory slaughters economics.
Beyond their walls, the poppies drink
The stings of wasps, dream death in shocks of violet.

This poem comes from Norman Jope's first collection, *For the Wedding Guest* (published by Stride). Priced £6.95, it is available, post free, from Stride Publications, 11 Sylvan Road, Exeter, Devon EX4 6EW.



Michael Streeter

Football to
of links
betting sy

BBC warn
news shak

'At sea with 2,500 men, the majority sexually harassing you...'



Making waves: Lesley Morris at home after being forced to quit the Wrens where she claims she was bullied and sexually harassed

Photographs Don McPhee

Wren attempted suicide after humiliation from male colleagues while serving in the navy

A former Wren attempted suicide after suffering "horrific" sexual harassment while serving in the Navy, an industrial tribunal was told yesterday.

Lesley Morris, 23, of Shotton, near Chester, is claiming constructive dismissal after she took a paracetamol overdose and was then discharged from the service as "temperamentally unsuitable" in May 1995.

Miss Morris told the Manchester tribunal that she had been forced to mimic oral sex in front of a group of men, including an officer.

She said that during four years serving in the Navy she had her breasts grabbed and was

bullied, adding: "It broke my heart to leave the Navy. It was all I ever wanted to do but I knew I had to."

Miss Morris, whose brother still serves in the Navy, says the male sailors constantly insulted the Wrens, calling them "sluts, slags, splits - short for split arses - and turtles".

Her ambition was to become a physical training instructor and she went to HMS Raleigh in Torpoint, Cornwall, for training. "I was the only woman in the gym and I was given impossible tasks to do," she told the tribunal.

She added: "As punishment, I was made to jump in the swimming pool in my white uniform, which became transparent when wet."

She claimed that on three occasions her breasts were grabbed by a leading physical training instructor in front of other sailors. She was also forced to stand on a table and mime a woman giving a man oral sex. "I felt totally humiliated and was shaking like a leaf afterwards," Miss Morris told the tribunal.

She added: "I lost my confidence and I thought, why doesn't anyone stop this?"

Miss Morris said she did not complain formally because her life would have been made

doubly worse by the male sailors, but she did inform some of her immediate superiors about what she was going through. "All the Wrens were affected and sometimes we

were even terrified to go into the dining room for dinner because of the constant taunts."

Miss Morris, who was suffering gynaecological problems at the time, said she tried to

commit suicide by swallowing a bottle of paracetamols after she had become depressed.

When asked by Roger Green, representing the Ministry of Defence, if she had not enjoyed naval life, Miss Morris replied: "I loved the Navy. I would never say anything against naval life. But when you are at sea with 1,200 men and the majority of them are sexu-

ally harassing you, that is not a good situation for a young girl.

"Every single day there were two or three insulting remarks."

She said that one officer had told her it would take 15 years for the Wrens to be accepted in the Navy.

The hearing continues.



Lesley Morris during her service days as a Wren

Football trial told of links with betting syndicate

Michael Streeter

A businessman said to be the representative of a Far Eastern syndicate betting on the outcome of "fixed" Premier League games received information on soccer matches from well-known footballers, a court was told yesterday.

Heng Suan Lim, 31, one of four defendants in the football match-rigging trial, said the informants were John Fashanu, Bruce Grobbelaar and Hans Segers - his co-accused - and Mr Fashanu's business associate Glyn Mason.

Asked by his counsel, Jerome Lynch who he would call with the information, Mr Lim said it was Johannes Josef or one of his close friends in Indonesia.

Mr Lim, from north London, was giving evidence at Winchester Crown Court where he and the three footballers deny being involved in fixing football matches for an Indonesian betting syndicate. He was quizzed about his relationship with Mr Josef, who by 1989 was paying him £1,000 a month. Mr Josef is said to have been the paymaster for the fixing of matches.

Mr Josef, a family friend who he called "uncle", suggested that he could give him information on football in

England. Mr Lim agreed to provide information. There was no agreement for additional payments, but if Mr Josef made money on the forecasts he said he could send him extra cash.

Mr Lim said numbers he had written in a Football League handbook against First Division teams in 1992 were a handicap system used in forecasting. These were based on odds from bookmakers and current form. He would discuss his predictions when Mr Josef telephoned from Indonesia. Sometimes he would advise against betting on a particular game because of better information he had received.

Mr Lim also said he had received two letters in 1987 from a Mr Ong in Malaysia, one of which asked him to mix with a team he thought was "possible". It went on: "Before doing anything, don't make any promises to the players, just make friends and talk about football, and you must be careful."

Asked what it meant, Mr Lim, who was born in Malaysia and came to Britain in 1986, said it meant he was to mix with players and get "inside information". Asked if he thought this meant anything illegal Mr Lim replied: "Absolutely not."

The trial continues.

BBC warned on news shake-up

Louise Jury

The BBC was urged yesterday not to jeopardise its pre-eminent position in newsgathering and current affairs when it undertakes a major review of coverage this summer.

Tim Gardam, the former head of BBC news and current affairs and now in charge of news for the launch next month of Channel 5 next month, said the corporation had a certain "brand stamp" and risked alienating its audience if it abandoned that identity.

"I think they should be confident in what they are doing. British television news is very good. There are high standards - much better than anything in the rest of Europe," he said.

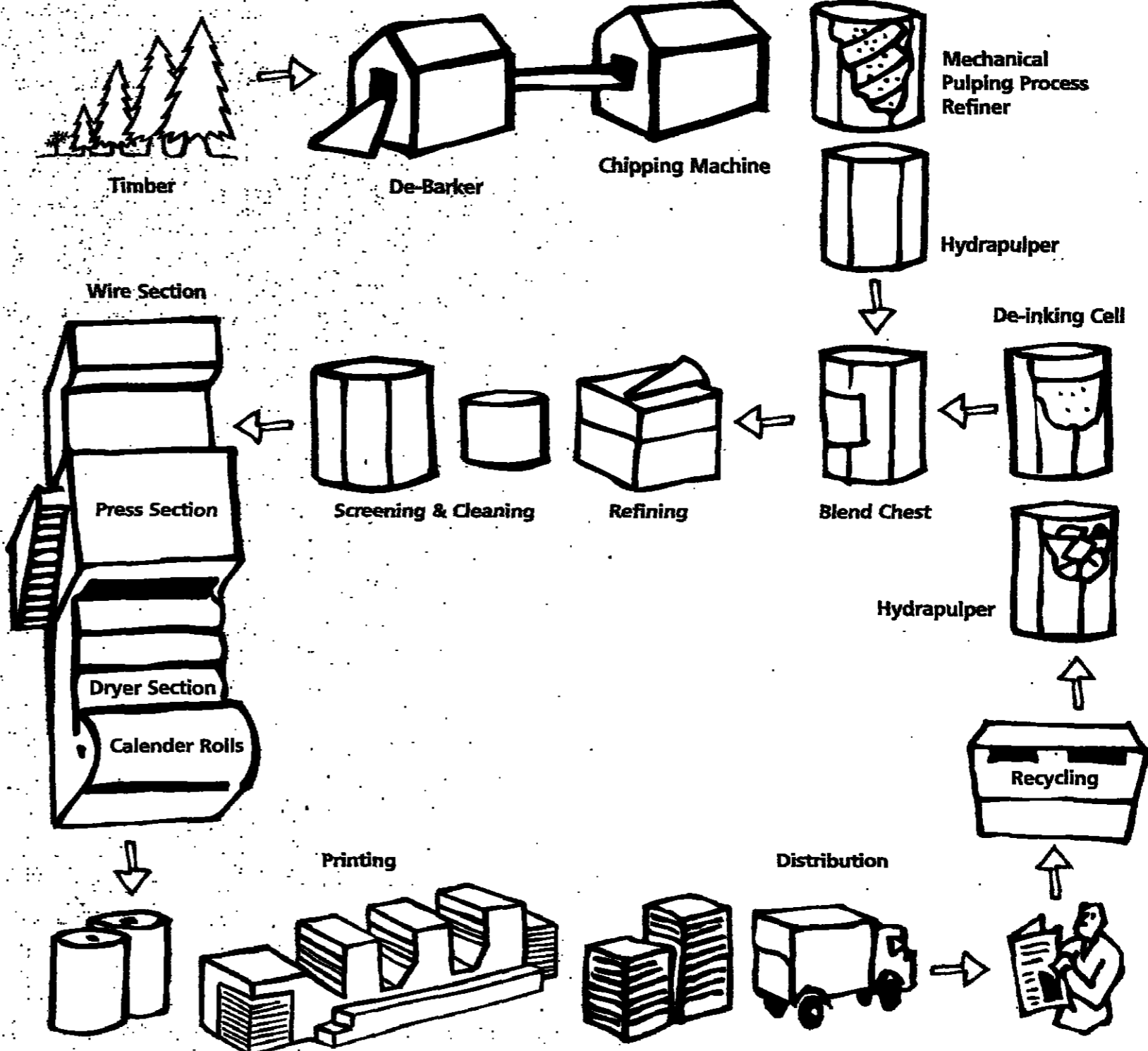
While at the BBC, he had suggested a move away from traditional news coverage by dropping "talking-head" politicians and "relating the agenda of politics and power to people's real lives". He said: "I am wry-

ly amused that with Channel 5 now coming on the horizon, they are suddenly hurrying to replicate us."

Tony Hall, chief executive of BBC News, has ordered the first complete review of coverage in 10 years to prepare the corporation for increasingly tough competition from media rivals. He has declared no programme - from the Six O'Clock News to Radio 4's Today - sacrosanct.

The analysis will begin after the general election, with findings expected to be available by the autumn. BBC news chiefs hope to identify ways of reaching those, such as young people, who do not watch much of the current programming.

A spokesman said: "We want to understand our audiences better. We're entering a highly competitive period, not only in news but in other genres. We're up against strong opposition. We have to make sure we are reaching the wide range of audiences that exist."



The Making of your Daily Newspaper

FOR FURTHER INFORMATION DIAL THE FAX BACK NUMBER 0839 393037

Calls are charged at 39p per minute cheap rate and 49p per minute at all other times

OR WRITE TO: 1 RIVENHALL ROAD, WESTLEA, SWINDON, SN5 7BD

TELEPHONE: 01793 879229 FAX: 01793 886182

Issued by the NEWSPRINT & NEWSPAPER INDUSTRY ENVIRONMENTAL ACTION GROUP



politics

Tories reject the TV challenge

Colin Brown
Chief Political Correspondent

Conservative strategists have ruled out a television debate between John Major and Tony Blair in the run-up to the general election.

Senior Tory party sources said there had never been enthusiasm at Conservative Central Office for the idea of the debate, to which Mr Blair chal-

lenged the Prime Minister "at any time, at any place".

Some Tory strategists believe the debate would be a "no win" platform for Mr Major, giving the Labour leader an equal footing in a head-to-head confrontation, with the risk that it would give the appearance of the Prime Minister on the ropes in defending the Government's record.

The Tory campaign planners

are focusing on the personality of the Prime Minister to "sell" their message, but they are resisting the suggestion that the election campaign will be presidential in style.

They insist it will be no more presidential than past clashes between Margaret Thatcher and Neil Kinnock, and Mr Kinnock with Mr Major, although this time the personality differences may be needed to un-

derscore the differences between the parties.

The campaign mounted yesterday, featuring the patriotic lion shedding a red tear, followed intensive Tory discussions about whether or not they should run an overtly Euro-sceptic campaign. The party's advertising agents urged them to do so, but Brian Mawhinney, the party chairman, and Michael Heseltine, the

Deputy Prime Minister, were worried about the risk of alienating their own pro-European MPs. They insisted the lion symbol was not Euro-sceptic but anti-Labour.

One Labour source said: "The red tear isn't very noticeable, so we have no complaint about the association between Labour on the poster and the lion. It suggests a Labour government would be strong."

The Tories will focus on tax: "We will be connecting spending to taxation, showing how much more they would spend, with the consequence that taxes would go up," said a Tory source.

Labour have rebutted the allegations that they are planning to raise spending, with the Shadow Chancellor, Gordon Brown, ruling out any increase in spending for the next two years.

DAVID
Aaronovitch

Tripping along the corridors of power

For some strange parliamentary reason, when a by-election is needed, a "writ" is "moved". Well, yesterday, the writ failed to move for me. The business of beginning the Wirral South election had taken place in the twenty seconds between "prayers" and the beginning of business. And — at that precise moment — I was lying on the pavement outside Victoria station.

I had not fallen victim to London's soaring crime rate, nor yet was I attempting to supplement my income with a spot of eloquent begging.

("Wittgenstein discussed for a pound"). I had tripped in my hurry to get to the House, and there was a momentary hiatus between the fall and the resurrection (assisted by a man who cannot have been a day under 90). As I lay there, contemplating London from an unaccustomed vantage point, a weird fantasy took hold. It was that all the MPs that I look down upon day after day — and at whose expense I am myself — were now looking down on me.

Lady Olga Maitland had noted my inelegant pose; Denis MacShane my pained expression; John Marshall my ridiculous inability to rise. Jacques "buzz-saw" Arnold took photographs.

Limping back to the Commons I reflected on how very different the same world looks from other viewpoints. Was there, for instance, something that Noel Gallagher knew that I didn't about MPs? Was it the Oasis man's acquaintance with drug-taking that informed his comments that "there's people in Parliament who are bigger heroine and cocaine addicts than anyone"? Had he spotted telltale signs that the rest of us had missed?

Perhaps there are indeed corridors in the Palace where you have to pick your way gingerly between the

discarded hypodermics, or men's loos just off the lobby where loud sniffling can be heard, or even expensive habits that are funded by little constituency bursars on Friday nights. Evidence could be well-hidden.

But behaviour is hard to suppress; there would be stinks. Pupils might be dilated, speech impaired and judgement erratic. National Heritage questions — being less inhibited than, say, questions to the Chancellor — seemed an ideal opportunity to screen our representatives for substance abuse.

So what is Virginia Bottomley on? Judging by her laid-back cattiness with the bronzed Dr Jack Cunningham ("He looks refreshed from finding things out in different parts of the world"), opium tea, as shared by Victorian ladies, suggests itself.

At the other end of the spectrum — as Virginia twittered — Dennis Skinner and his chums on the naughty boys' bench alternately lounged and heckled. Their red eyes and lack of obvious wealth indicated glaucoma, sniffing behind the Speaker's Chair.

Nigel Waterson (Con, Eastbourne) may have been smoking something. He asked Ginny whether "she recalled her excellent visit to Eastbourne pier" (in the year of the pier), and how this contrasted with Labour's plan that "would all end in tears". Such wordplay reminded me of a pleasant eight hours in 1976 thinking up new flavours for Opal Fruits (mango, curry and beer). Excellent!

Nigel Evans (Con, Ribbles Valley) could see something called "social on-costs", closing in around Britain due to the social chapter. Initially puzzled, I remembered the downside effects of hallucinogenic "magic mushrooms", to be found in profusion in Lancashire. Pack it in, Nigel! And anyway — what did you do with the negatives? —

Blair's busy day: Hard Labour for New Labour — with Old Labour memories



Top, Tony Blair arriving at the Methodist Central Hall in Westminster yesterday morning for the launch of NCH Action for Children's Youth 2000 campaign to end youth homelessness. Right, addressing the British Screen Advisory Council at the Mansion House, watched by Lord Attenborough, Roger Cork, the Lord Mayor, Lady Mary Wilson, Michael Deeley, deputy chairman of the council and Lady Falkender. Below, being interviewed at the Mansion House watched by his press secretary Alastair Campbell. Left, with Lord Attenborough

Photograph: Brian Harris



Broader horizons for mandarins

Christian Wolmar
Westminster Correspondent

The top 500 civil servants should spend at least three months working outside Whitehall in order to broaden their experience, a report published yesterday recommended.

It says that most of these secondments should be with private sector companies and should be part of a much wider interchange between the sectors.

The report — prepared by a committee headed by Sir Bryan Nicholson, chairman of Bupa,

and endorsed by the Deputy Prime Minister, Michael Heseltine — is an attempt to bring about "a fusion of cultures" between the private sector and the Civil Service.

Mr Heseltine sees benefits in a greater number of secondments between the two sectors. He said yesterday: "While people in the private sector tend to be more numerate and quicker in making decisions... the strength of the public sector includes strategic appraisal, long-term judgements and good analytical skills."

The report sets out an action programme to ensure that the number of attachments begins to rise again after remaining around the same level for the past five years. Currently, about 400 civil servants each year go into industry for periods of more than one month, and 280 people in the private sector are seconded to the Civil Service. However, these attachments are largely confined to three departments: the Ministry of Defence, the Treasury and the Department of Trade and Industry. Overall, including sec-

ondments to voluntary organisations and European and international bodies, there were 1,514 last year and the number peaked in 1994 at 1,671.

Sir Bryan's committee found that until now there has been a lack of focus about the programme of interchanges and he wants each government department to set up targets for the number of attachments. The committee also wants more junior civil servants and those based outside London to get the chance to work in the private sector or on other attachments.

Renewing your home insurance in February or March?

If you are 50 or over, you could save with SAGA Home Insurance

You will know how expensive home insurance can be, particularly if your insurance company is also having to insure younger, less careful householders. Thankfully, if you are aged 50 or over you can benefit from SAGA Home Insurance, a superior household insurance that is only available to mature, responsible people like you.

SAGA Home Insurance could offer you genuine savings over other policies, while giving you cover that fully protects your home and possessions. So if your home insurance is due for renewal soon, or if you would simply like to find out how much you could save with SAGA Home Insurance, call us today - free.

The Saga Price Promise

If you find another comparable policy at a lower price within 2 months of taking out SAGA Home Insurance, we will refund you the difference.

SAGA
Services Ltd

Saga Services Ltd would like to send you information about other Saga products and services and may pass on your details to other Saga companies for this purpose.



Cover is comprehensive and low cost

- Free Saga Assist Service - 24 Hour Domestic Helpline
- 24 Hour Legal Helpline
- 24 Hour Glazing Service

- Discounts for home security

- Free pen with your quotation

Call us today

For your free no obligation quote and a free Saga pen, simply call us on the number below. We will be pleased to answer any questions you have on SAGA Home Insurance.

0800 414 525
quoting reference ID2703

Lines open Monday to Friday 8.30am - 7pm, Saturdays 9am - 1pm

ST. JOSEPH'S HOSPICE

MARE ST. LONDON E8 4SA
(Charity Ref No. 213223)

Since 1965 we have shared the grief and eased the pain of countless suffering souls. Last year alone 980 found peace with the help of our vital gifts. Most of them died of cancer — but so serenely that you would hardly know. Your concern is as encouraging as your generosity and we thank you for your inspiring trust.

Slater Superior.

ARE YOU A SNORER?



The answer: Only one or two short laser treatments. No disruption to normal activity. No hospital stay, and best of all, no more sleepless nights for you or your partner.

For more information phone:

LONDON: 0171-431 5494 MANCHESTER: 0161-839 2527
BRIGHTON: 01273-324 961 BIRMINGHAM: 0121-440 6632

THE HARLEY MEDICAL GROUP
6 Harley Street, London W1N 1AA

Alternatively, send this coupon to us in an envelope - you do not need a stamp:
Saga Services Limited, FREEPOST 751, Middelburg Square, Folkestone, Kent CT20 1BR

Mr / Mrs / Miss Initial: _____ Surname: _____
Address: _____
Postcode: _____ Telephone No: _____

Date of birth: Mr: ____/____/____ Mrs/Miss/Ms: ____/____/____
Do you work from home: Yes ☐ No ☐

Occupation: _____ No. of bedrooms: _____

Policy Renewal Date: _____

Type of Property: Detached House: ☐ Semi-Detached House: ☐
Terraced House: ☐ Detached Bungalow: ☐
Semi-Detached Bungalow: ☐ Flat/Maisonette: ☐
Other: ☐ Please specify: _____

Approximately when was it built? Pre 1920 ☐ 1920-1945 ☐ 1946-1979 ☐ 1980-Present ☐

Please tick the type of cover for which you would like a quotation:
Home Contents Cover ☐
Buildings Cover ☐

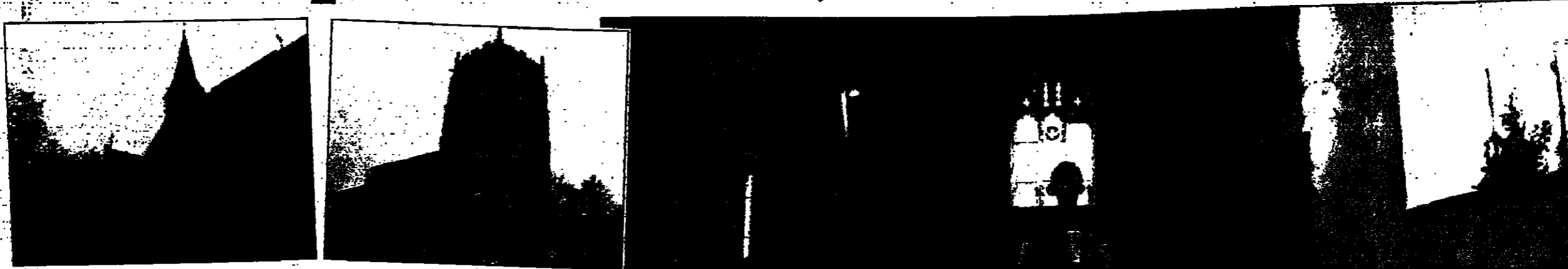
Answer YES to the following and you could save up to 15% on your Contents premium.
Does your home have an annually maintained burglar alarm? Yes ☐ No ☐
Is a 5-lever mortice lock fitted to the front entrance door? Yes ☐ No ☐
Are all other external doors fitted with key-operated locks or bolts? Yes ☐ No ☐
Are secure key-operated locks fitted to all accessible windows? Yes ☐ No ☐
Are you an active member of a Police Approved Neighbourhood Watch Scheme? Yes ☐ No ☐

For insurance on listed buildings, converted property, those of non-standard construction, flats and maisonettes, or if you are the landlord of the property to be insured, please telephone 0800 414 525 quoting reference ID2703. A specially designed policy is available in these cases.

ID2703 Saga Services Ltd would like to send you information about other Saga products and services and may pass on your details to other Saga companies for this purpose.

Small and
Even small
mortgage

Take a pew minister, but not all sixteen



Stephen Goodwin
Heritage Correspondent

**'Living' church
fights for seats
taken from
'dead' parish**

Parishioners in a quiet Lincolnshire village are enraged after being ordered to return a set of 16 wooden pews to a "dead" church from which they were borrowed. They claim their church is well-used, with a growing congregation, but that the donor church is little more than a "monument".

The pews were acquired by All Saints church in Orby last year, after the original seating had succumbed to dry rot. They were taken from a church in Little Cawthorpe 15 miles away which has been condemned as structurally unsafe and was up for sale. But now the village has been told the pews must be returned. One young parishioner wrote to *The Independent* saying his church was being "killed".

The sale of the redundant church at Little Cawthorpe for a dwelling was never likely – not only is there subsidence, but it is surrounded by graves – and it will be taken over this month by the Church of England's Churches Conservation Trust.

The Trust looks after more than 300 redundant churches and insists on fixtures and fittings being retained so that the buildings are as they were when last used for regular worship.

Canon Stanley Jackson, chairman of the Lincoln diocese redundant churches uses committee, has some delicate negotiations ahead. "We have got to reclaim those pews," he said. But All Saints is unimpressed by the trust's rules and Lincoln's pleadings. Orby is a farming backwater where the Lincolnshire Wolds meet the "marshes" along the east coast.

not a place where folk normally make a fuss.

In his letter, Adrian Lockwood, aged nine, said All Saints had "come alive" since the villagers got together to raise money for painting. The church was also left £3,000 by a benefactor and this has been used to carpet the nave.

The pews come from a dead church to make ours alive," wrote Adrian, supported by 17 other parishioners, young and old. "Now [the trust] want them back again to make a church nice for a couple of people a year."

Father Terry Steele, vicar for the group of village churches that includes Orby, contrasted the struggle All Saints has had to raise money for repairs with the trust's ability to spend tens of thousands of pounds on "something which is just an empty monument".

He asked: "Is it ethically right to ask a living church with a caring congregation to give back the pews in those circumstances?" The monthly family service is attended by 20 to 40 people out of a village population of 250.

The trust is sympathetic and this weekend Orby was told there was no rush. Work on repairing Little Cawthorpe will not begin until 1998 and it was suggested Orby could find replacement pews in the meantime, though Father Terry

doubted it. Tim Beeson, case officer for the trust, said the redundant church still occupied a place in the hearts of the people of Little Cawthorpe. And it could still be used occasionally, such as for harvest festivals or carol services.

Though the east wall is unsafe, the Victorian church is just as it was when built in 1860 for £800. At the time, the Ecclesiastical Society considered it "a paradigm of the church which could be built for parishes of modest resources".

Sitting target: Adrian Lockwood, nine, says the pews from Little Cawthorpe, top left, are needed at All Saints in Orby, top right Photographs: Emma Boam

Builders answer Islam's growing call to prayer

Chris Garner

As attendance figures at the Church of England continue to dwindle, Islam is addressing the opposite problem. Between 80 and 100 mosques are to be built in Britain by the millennium, according to architects involved in their construction.

Unlike most of the 1,000 existing mosques, which are converted warehouses, churches or community halls, the new ones feature traditional Islamic domes and minarets. The designs, such as that for one in Rochdale, which is based on Al-Aqsa in Jerusalem, adhere to the Eastern model, with grand entrance and fountains, marble and chandeliers inside.

"If you stand outside any of the new ones and and blink, all of a sudden you will think you are in the Middle East. Far East or Indian subcontinent," said Abu Al-Samarraie, one of the architects at Bullen Consultants, in Bradford, which is involved in building 12 of the new mosques.

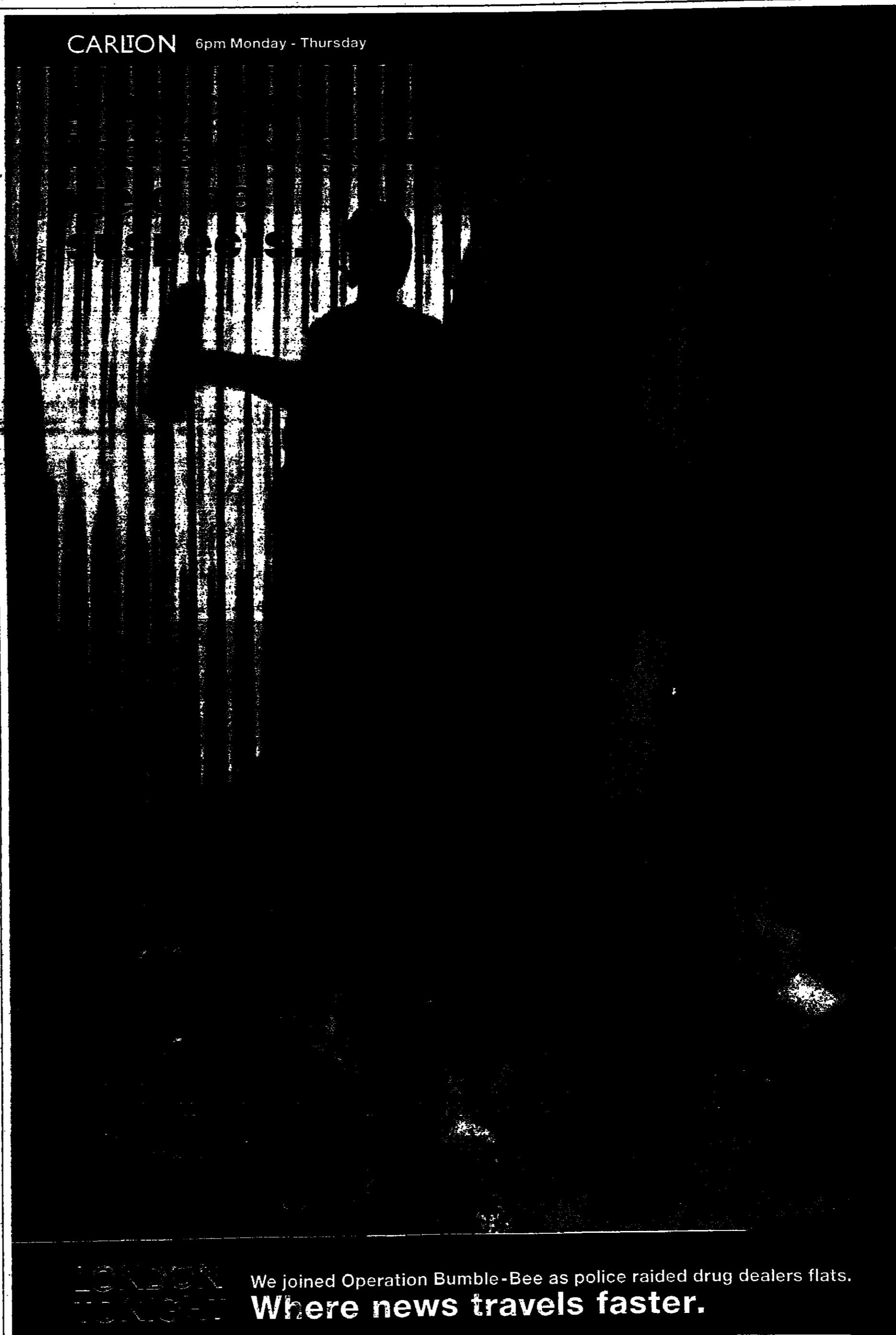
The change in Britain's landscape reflects a significant shift in attitude towards Muslims by the country's local planners, added Mr Al-Samarraie. "Local authorities are becoming more relaxed about mosques

making more of a statement now," he said. The architects' biggest constraint is height, according to Mr Samarraie. "Sixty feet is about the upper limit," he said. "Ideally, they would be as tall as possible so they could be seen from some distance. But the buildings will be in proportion, so they will look right."

Each mosque will hold an average of 2,000 worshippers at any one time. The cost of each place of worship is between £1m to £3m, money which comes from modest donations by Britain's million-strong Muslim population. Extensions or refurbishments will also take place at 160 existing mosques.

Twenty of the new mosques will be built in London. Tenders are sought for a £3m five-storey mosque in Tower Hamlets. Shamsul Haque, the local imam, welcomed the plan because it would absorb the growing numbers of worshippers.

In contrast, the number Church of England churches – 16,000 – has dropped by about 800 in the past 25 years. However, 450 new churches have been built at the rate of 15 to 20 a year over the same period. In the Roman Catholic Church, the number – 3,760 – increased of four in 1994/5, according to the Catholic Media office.



CARLON 6pm Monday - Thursday

We joined Operation Bumble-Bee as police raided drug dealers flats.
Where news travels faster.

**Small ad.
Even smaller
mortgage rate.**

- It's easy to transfer.
- Our mortgage rate is 6.31% (6.5% APR variable).
- Call us now for more details.



0181 649 9099 0161 831 9099 0141 221 9099
LONDON MANCHESTER GLASGOW

CALL ANYTIME 9am to 8pm Monday to Friday and
9am to 5pm Saturday. Please quote ref. IND89
A Royal Bank of Scotland company.

Subject to credit checks. Life assurance to cover the loan and security required. Interest correct at 28/01/97. Subject to verification. Without questions on request. YOUR HOME IS YOUR BEST. IF YOU DO NOT HAVE UP SURVEILLANCE ON A MORTGAGE OR OTHER LOAN, REQUESTED ON IT. Call may be recorded for your added security. Direct Line and the "red phone" are trademarks of Direct Line Insurance plc, used with its permission.

114 525
ence 102703

THE SINGLE CURRENCY DEBATE

Europe divided: Conservative leaders go on the offensive, arguing against greater integration and the Social Chapter

Rifkind rules out a federal future

Tony Barber
Europe Editor

Malcolm Rifkind, the Foreign Secretary, criticised Britain's European Union partners yesterday for trying to impose excessive change on the EU, claiming there were limits to most Europeans' enthusiasm for greater unity. In a speech notable for its attacks on several important EU projects, Mr Rifkind said Britain saw little need for the EU to take more decisions by majority vote rather than by inter-governmental consensus.

"We need to show people that we are not in a state of perpetual revolution," he told the Swedish Foreign Policy Institute in Stockholm. "I do not believe this pace of change can be sustained."

Mr Rifkind's speech was the first in a series in various EU capitals to promote understanding of the Government's resistance to deeper integration. In this context Sweden was a logical first stop, since both the Social Democratic government and public opinion oppose steps to closer unity that could erode national sovereignty.

His speech sounded more sceptical in tone than remarks which John Major made after hosting a Downing Street lunch yesterday for Alain Juppé, the French Prime Minister. "In many of the European matters, we have a common view. In others... we have a different view at present. We are trying to see to what extent we can bring the divergent views together," Mr Major said.

Mr Juppé said he believed monetary union was certain to proceed, as planned, in January 1999. "We also think it will be

in the interests of all our partners, especially Great Britain, to join us," he said.

Mr Rifkind claimed Britain had no "knee-jerk hostility" to the EU, but believed that co-operation should prevail over integration – an unpopular view in other EU capitals, where governments point out that an EU with 20 or more members, including the new democracies of central and Eastern Europe, will break down unless it takes more decisions by majority vote.

Challenging an image that is often conjured up by Chancellor Helmut Kohl of Germany, Mr Rifkind said that some leaders acted as if the 15-nation group were a bicycle that must continue to move forward or else fall over. This image was misleading, he said, because "no person or bicycle ever embarks on a journey that has neither end nor rest".

After his speech, Mr Rifkind took to task Mr Kohl, President Jacques Chirac of France and other EU leaders for denying that they wanted a "United States of Europe" while calling for a single currency and a common foreign and defence policy. "What is the difference between the kind of Europe that would create and a federal Europe? Federalists must admit what they are," he said.

However, his use of "federalism" to mean centralisation and unaccountability highlighted the differences between Britain and most other EU countries. For many EU states, especially Germany, which is a federal republic, "federalism" is synonymous with decentralisation, democracy and regional rights and does not imply government by an overbearing bureaucracy in Brussels.



No meeting of minds: John Major welcoming the French prime minister, Alain Juppé, into 10 Downing Street yesterday

Photograph: Andrew Buurman

Swedes blame Brussels for the hard times

Stockholm — The Foreign Secretary may believe that in arguably the most Euro-sceptic country within the European Union he could easily persuade the Swedish people about the advantages of Britain's position on Europe. And, to a certain extent, he may be right. Mr Rifkind could win the hearts and minds of a majority of Swedes who, two years after their country's entry into the EU, ardently believe that their lives have changed for the worse and that Brussels in many ways is to be blamed for it.

On the political level, the governing Social Democrats are struggling to contain a strong anti-EU minority

Mats Wiklund reports from a nation of 'euro' sceptics

in the party while at the same time keeping all options open. The Prime Minister, Goran Persson, is thought to be in favour of joining the single currency – as is his Secretary of Finance, Erik Asbrink. So far Mr Persson and Mr Asbrink have decided to keep their views to themselves. But they will soon have to make up their minds. The future of Emu is to be decided by a party conference in the autumn.

As things stand at the moment, the Prime Minister faces a hard task should he decide to argue for Swedish membership of Economic and Monetary Union (Emu). Already one member of his cabinet has openly come out against monetary union; many party activists feel very negative about the EU in general and about Emu in particular.

And why? The obvious response is that the debate over Europe and Sweden's role in it began at a very bad time. The past five years have seen great changes in the Swedish economy and welfare system. In the early 1990s unemployment rocketed and benefits were slashed while the establishment tried to convey the message that the

country's future depended on EU membership.

It succeeded, but at a high price. The yes-vote in the 1994 referendum on membership won by a narrow margin. The Social Democrats split over the issue and the party has yet to recover.

Since then unemployment has grown and the strains on a society built on the premise of pragmatism and cohesion are showing. Meanwhile, the former Communist party, Vänsterpartiet, has recruited a large number of disaffected Social Democrats; it is now the third largest political party in

Sweden. A substantial part of their success can be attributed to a strong, populist stance against Europe. Only the Conservatives and the Liberals are fully in favour of Emu. It seems most likely that Sweden will not join monetary union in 1999, though it will probably meet the Maastricht criteria.

As in London, the government in Stockholm is also trying to have it both ways, balancing the national interest against the party interest. For the moment, as in Great Britain, they are not always compatible. Mr Persson, however, is likely to be in a better position to do this than is Mr Major. Swedes go to the polls in September 1998; the moment of truth has not arrived.

Major takes pre-election shot at social chapter

Fran Abrams and Colin Brown

John Major will risk causing new divisions with Britain's European partners today by using a visit to Brussels to launch a pre-election attack on the social chapter.

The Prime Minister will attack Labour's proposal to end Britain's opt-out from the chapter at a European Policy Forum business conference. Mr Major will warn that the social chapter is anti-competitive, and deregulated Britain is a magnet for inward investment.

The speech may play well at home, but it is unlikely to impress other European leaders. Alain Juppé, the French Prime

Minister said after his meeting with Mr Major in London yesterday that the social chapter was not an obstacle to job creation in France.

"I think there is no relation or no link between those elements... our main objective to create jobs in France is to consolidate our budget and financial situation," Mr Juppé said.

After the meeting, the Tories' election campaign took a Euro-sceptic turn with the launch of a poster proclaiming: "New Labour, Euro Danger."

Tory sources said the poster attacked Labour rather than Europe, and that it was meant to highlight the party's plan to sign up to the Social Chapter. However, coming immedi-

ately after comments by Labour's foreign affairs spokesman, Robin Cook, that Britain could join the single currency by 2002, it struck a rather different note.

The poster, which features a lion with a red tear-drop, was unveiled by the party chairman, Brian Mawhinney, and the Deputy Prime Minister, Michael Heseltine. It claims that the Social Chapter could cost hundreds of thousands of jobs and could put Britain's prosperity at risk.

Mr Heseltine said Labour would introduce a minimum wage and trade union reforms which would undermine the country's competitiveness. The party was fudging the issue of

the single currency, he claimed, and Mr Cook was trying to avoid difficult issues by "kicking the whole thing into the next century."

But Mr Cook said yesterday that Europe should be an association of free states, coming together not to surrender sovereignty but to co-operate. While there were "formidable problems about joining a single currency, Britain would face long-term penalties if it stayed out," he said.

"It would be very interesting to know if Conservative politicians are prepared to say that 'yes if it goes ahead, yes if it proves a success, if the single currency is strong, we'll still stay out on a matter of principle'."

Monetary union could be reckless gamble, warns Eddie George

Yvette Cooper, Sarah Helm and agencies

A European economic watchdog boosted Italy's chances of joining monetary union yesterday when it cleared Rome of fudging economic figures.

But at the same time Eddie George, the Governor of the Bank of England, warned of the dangers of a single currency that was built on weak foundations, and German bankers said they hoped countries like Italy would not be allowed into Economic and Monetary Union.

The Maastricht treaty created a series of economic tests which countries must pass in order to qualify for monetary union, and bankers are concerned that those tests must be strictly applied. They want to see convergence – evidence that Europe's economies are coming into line with each other.

In pursuit of that goal, Italy was yesterday given the go-ahead to set up a new system of accounting which is expected to reduce the country's budget deficit enough to meet the Maastricht ceiling.

The finding, from Eurostat, the EU's statistical office, could prove crucial in determining

whether Italy qualifies for membership of the first wave of monetary union. But it is likely to fuel controversy over whether budget rigging is being allowed in order to ensure countries qualify.

The Italian Treasury predicted that the ruling would help the country make the EMU grade. Clearly delighted that it had been cleared of "creative accounting" the Treasury statement said the decision "proves that Italy has not adopted any illegal measures to improve its accounts, nor does it intend to in the future". The experts found that Italy was within its rights to defer interest payments on certain types of government bonds, thereby allowing a deficit reduction in 1997 of 0.26 per cent of gross domestic product.

In November the European Commission forecast that Italy's deficit would stand at 3.3 per cent of GDP in 1997 – above the Maastricht ceiling of 3 per cent. However the commission noted at the time that a favourable ruling on the bond interest payments could bring Italy into line.

The Eurostat statement yesterday is the first of a series of rulings on whether certain accounting methods should be al-



Eddie George: Warned against 'charging ahead'

and downplayed possible dangers for Britain in remaining outside a European single currency bloc.

He said: "It would be a mistake in my view for monetary union to go ahead without reasonable confidence of genuine, sustainable, convergence between its members."

The Governor avoided discussing what would count as genuine convergence, hinting that the current criteria in the Maastricht treaty might not be enough to ensure the smooth functioning of the euro. Nevertheless, he said, "it would be a reckless gamble to charge ahead if even those criteria were not met sustainably, and in substance rather than just form". Senior German bankers also sounded a warning.

The financial markets are also nervous about early Italian membership of EMU, which could weaken the euro. "If Italy and certain other countries are in, a time bomb is ticking within EMU," Deutsche Bank board member Ulrich Cartelieri said at the annual World Economic Forum in Davos, Switzerland. "The fiscal success that the government in Rome has enjoyed recently cannot be maintained in the long run."

LIMITED OFFER!

5.49% (5.6%APR)

MORTGAGE RATE FROZEN

TO MARCH 1999.

It's going to be an uncertain couple of years for mortgage rates; but it needn't be for you.

With Woolwich Direct's new Fixed Rate Mortgage you can be sure of exactly what you're paying until March 1999, if you are an existing customer on the move, or a new mortgage customer.

Take the first step to getting your rate fixed by calling Woolwich Direct, at local rate, Monday to Friday 8.30am - 9.00pm, Saturday 9.00am - 3.00pm or Sunday 10.00am - 2.00pm on 0645 75 75 75 quoting ref: IX42.

Get much more with

**WOOLWICH
DIRECT**

0645 75 75 75

For your security, telephone conversations may be recorded. 8.30am - 9.00pm MON - FRI; 9.00am - 3.00pm SAT; 10.00am - 2.00pm SUN Internet address: woolwich-direct@e-mail.com

APR variable and fixed and calculated on the assumption that the mortgage rate applicable during the fixed rate period (which will run from the date interest is first charged in respect of the mortgage) will apply for the 'at least of the term' from 1.3.98. The Society's prevailing standard variable mortgage rate will, as fact, apply. These terms apply only where a written offer of advance was issued on or after 9.1.97 and the mortgage is completed by 30.6.97. Typical example: based on an interest only loan, an interest rate of 5.49% APR and a purchase price of £70,000, a couple taking out a mortgage of £50,000 over 25 years (where the amount of the advance is 71% of the Society's valuation of the property) would pay interest of £228.76 per month gross (320 payments). Value of the £19,000. Additional fee £190. Society's mortgage charges £100 and new customers, including non-mortgages. Limited up to 85% of the Society's valuation of the property. Where the mortgage exceeds the Society's normal maximum percentage advance of 75%, additional security will be required as security for a mortgage. For interest only loans, you are advised to arrange a suitable repayment vehicle to repay the capital at the end of the mortgage term. Available for existing customers moving home to be repaid as the mortgage term progresses. Limited up to 85% of the Society's valuation of the property. Where the mortgage exceeds the Society's normal maximum percentage advance of 75%, additional security will be required, for which a Higher Percentage Advance Fee will be payable. If the mortgage is repaid or transferred to another scheme before 1.3.2002, a fee equivalent to 6 months' interest in the 0.1% rate will be charged. All mortgages are subject to status, valuation and a minimum age of 18. A written quotation is available on request from Woolwich Direct, PO Box 800, Sidcup, Kent DA14 6LF. Woolwich Direct is a service provided by Woolwich Building Society which represents only the Woolwich Building Group, which is regulated by the Prudential Regulation Authority for its insurance and unit trust business.

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT. FRD7

150 من الراجل

**“...big benefits in
ride and handling...”**

"...bang up to date electronically..."

**"...smooth, crisp
and punchy..."**

"...significantly faster..."

“...impressive acceleration...”

"...a muted snarl..."



BE HONEST,
DOES THIS SOUND
LIKE A DIESEL?

The sluggish acceleration. The dreaded engine rattle. The lack of refinement. Where are these standard features of any diesel to be found on the Rover 400? Nowhere, according to Diesel Car Magazine's review. Instead they found all the usual Rover comforts, plus rattling good performance. Without the rattling, of course. Call 0345 186 186, or contact your local Rover dealer, for a test drive.



3
—
S
—
i

like said
on a
with
Mr
were
buy
in he
: ac-
Par-
with
Mr
ar-
t in
Mr
self
d to
aft. Mr
ple
ho-
and
ike-
: to

1

39

1

li

地址：

ik

11
 12

M

38

lic

•p

na

104

1

1

1

Abstract

1

1

Abstract

1

1

Pharmaceuticals

Background

1

!

international

Milosevic's truncheons inspire students to strengthen resolve

Emma Daly
Belgrade

If Slobodan Milosevic meant to frighten pro-democracy demonstrators into staying quietly at home, he may have miscalculated. Unleashing Serbia's riot police against them on Sunday night seemed yesterday to have proved counter-productive.

Tens of thousands of protesters marched through central Belgrade, first under the banner of university students, then with Zajedno (Together), the opposition coalition. By late afternoon, thousands of demonstrators were facing ranks of several hundred riot police who were intent on stopping the protesters from marching away from an opposition rally in Republic Square.

Zoran Djindjic, an opposition leader, urged the crowd to disperse peacefully. Most did so, but a hard core of about 300 stood firm, and some youths hurled stones.

As pieces of paving stones rained down, police pursued the youths. A strange game of hide-and-seek followed, as police chased a small group through the streets and beat those they caught. At least seven were treated at the students' medical centre. Police later withdrew from the streets, leaving an uneasy calm. Zajedno told people to meet in 32 neighbourhoods later in the evening, but not to try to converge on the city centre again.

Earlier, Vesna Pesic, one of the triumvirate leading Zajedno, had appeared on the platform yesterday, with a hand bandaged from the beating she took from riot police on Sunday night. The crowd in the square roared in approval as Ms Pesic, Mr Djindjic and Vuk Draskovic insisted the protests would continue until President Milosevic acknowledges Zajedno victories in the local elections held on 17 November. "Last night's violence shows Milosevic does not know what to do," Mr Djindjic said, as his colleagues suggested that violence might herald the imposition of a state of emergency.

The courts were supposed to rule, yet again, on the status of 14 city council races won by the opposition. Until now, legal rulings against the regime have carried no weight, but Ms Pesic said a state of emergency might be used to override any decision in Zajedno's favour. The violence has sparked international repercussions, drawing condemnation from Britain and an



Let us spray: Police firing a water cannon at anti-government demonstrators in the centre of Belgrade

Photograph: AP

invitation from France to the Zajedno leaders.

Both London and Paris seem to have switched tactics, apparently calculating that public criticism of the Milosevic government and acceptance of a potentially viable alternative leadership in Serbia could do more to resolve the situation than maintaining direct links with the regime. As usual, there was no word from the Serbian government, except a report on state television, which said that the riot police had been forced to act because protesters were blocking traffic.

Aleksandr Tjjanic, who resigned as Serbia's Information Minister because

of the protests, does not expect his former boss to give in easily.

"I think [the use of police] was a small exercise to see if the police would follow orders, to see how they would behave, how the demonstrators would behave, how the media would react," he said yesterday. "I think it will be tried again." Mr Tjjanic believes Mr Milosevic needs to use force to cling to power. "It would cost him too much to agree a political solution... he does not portray this as a political problem but as a problem of social order for the police to deal with." The last time Belgrade experienced a "social problem" was in 1991, when Mr Milosevic

crushed demonstrations by sending tanks on to the street.

Sunday's attack was perhaps the worst example of state violence against peaceful demonstrators since 1991. The students, who have run parallel protests since the elections, were particularly angered by a police incursion into a Belgrade University building on Sunday night. At student headquarters, Dragan Ostojic, who was acting as security, described being beaten by the police as they tried to chase students into the building.

Mr Ostojic said he turned fire-hoses on to the police who, an hour before, had used water cannon against

the protesters. Medical students at a makeshift first-aid centre treated more than 50 people - including some policemen - for minor injuries and said they witnessed several arrests.

However, Zajedno leaders were upbeat yesterday afternoon. "We will express our readiness to persist, to show that there is no more fear of the police or the regime," said Miodrag Peresic, Mr Djindjic's deputy. "I think today is a turning-point," he added.

On the streets of Belgrade last night, protesters were waiting uneasily to find out whether Sunday night was just a one-off, or whether it was a taste of things to come.

significant shorts

'I saw mercenaries in Zaire', says EU aid chief

The European Union's humanitarian aid chief, on return from Africa's Great Lakes region, said she had seen mercenaries in Zaire. "All our information confirms there are mercenaries from both sides in the region," Emma Bonino said. "On the Zaire side I saw mercenaries. We stayed in the same hotel." She said 200,000 refugees were stranded in Zaire; as many were lost or dead in the bush. Meanwhile, a Zairean defence official said it had chartered planes to bring in troops from Morocco, Togo and Chad to help fight the rebels. **Reuters - Brussels**

Going for Dutch connection

France, the severest critic of the permissive Dutch drugs policy, signed a customs deal with the Netherlands aimed at strangling drug-smuggling lines. Dutch and French authorities will target a host of illegal goods, but will concentrate on drugs shipments. **AP - The Hague**

Japan, EU toast drink deal

Japan and the European Union agreed to changes in taxes on imported liquor, settling one of a long dispute. Japan agreed to raise taxes on domestic spirits known as *shochu*, made mainly from barley, and lower those on liqueur and spirits such as vodka from overseas, so that they are all at the same tax rate. **Reuters - Tokyo**

Paris grim over Nato post

The French Foreign Minister, Hervé de Charette, said France might fail to persuade Washington to let a European officer take over Nato's southern command from an American. The two countries were seeking ways to settle the dispute. Asked what type of compromise might be possible, he said: "We'll see." **Reuters - Paris**

Pact to save HK activists

Western governments have forged a pact to get 40 Chinese dissidents and their families out of Hong Kong before China takes over on 1 July, *Time* said. They will be flown out and given asylum in the West. **AP - Hong Kong**

Swaziland hit by strikes

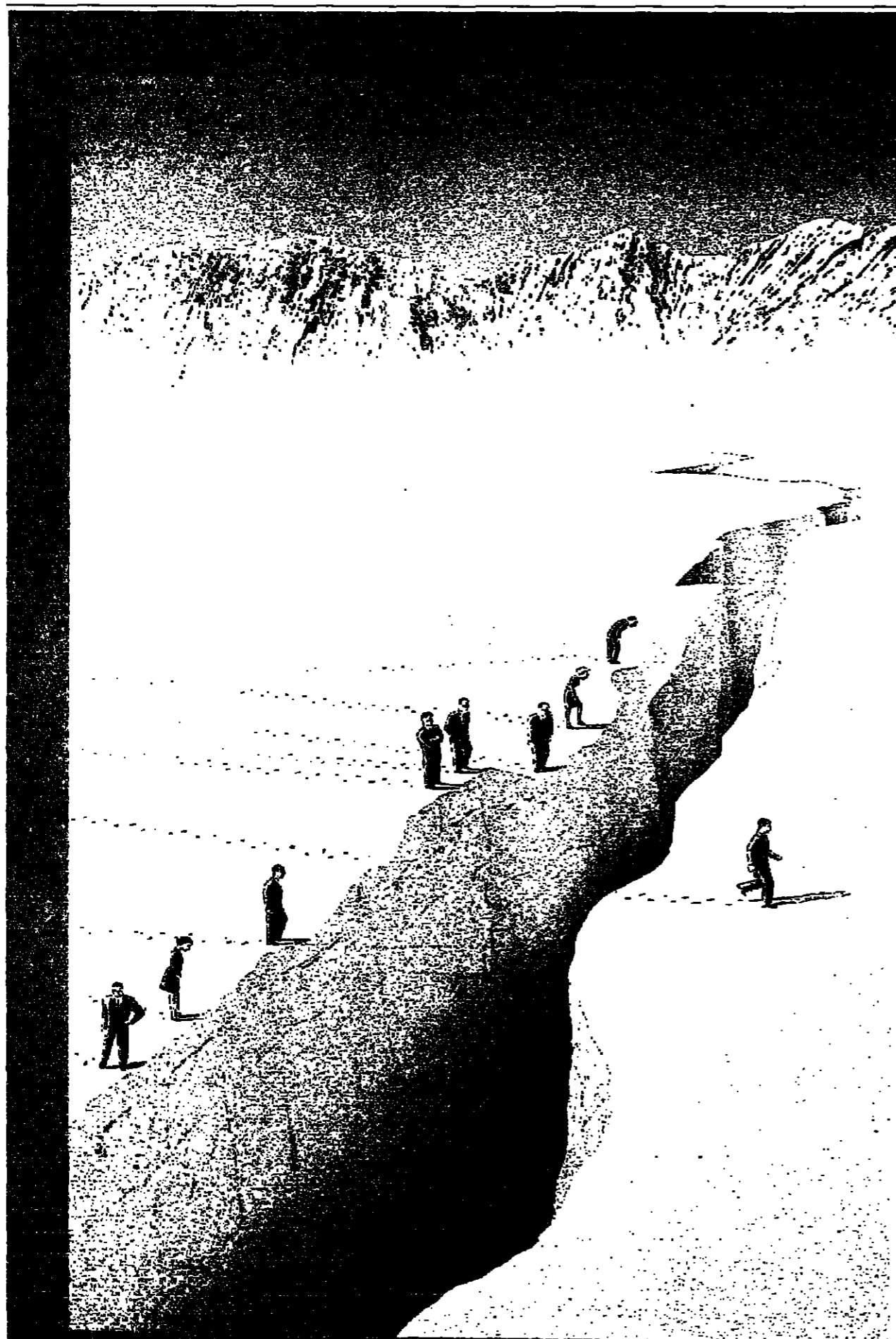
A strike paralysed Swaziland's transport and businesses in a protest for political reform. Gunfire erupted in Manzini, the industrial centre south of Mbabane, and bombs burned a bus at the central terminal. **AP - Mbabane**

Peru denies rebel accord

President Alberto Fujimori of Peru dismissed suggestions of a peace accord with guerrillas holding hostages at the Japanese ambassador's residence in Lima, saying his country is already at peace. **Reuters - Washington**

Hunger to live

Alexander Oein, 17, caught in an avalanche near the west Norwegian town of Molde, could not dig himself out but he was able to eat away enough of the snow to create an air pocket that kept him from smothering. The manœuvre paid off: he was rescued three hours later. **AP - Oslo**



Perhaps you've admired them from afar: The telecommunications firm that set a goal of 99% system uptime—and surpassed it. The car manufacturer that radically accelerated its time-to-market with a powerful new data system. The financial services processor that gives institutions in 20 countries highly secure transactions— instantaneously. Granted, at DIGITAL we're known for our fastest-on-earth, ultra-reliable AlphaServer™ systems. But what we really produce are groundbreaking competitive advantages—in company after *Fortune* 500® company. Advantages like **At DIGITAL, we don't just** the leap in **make high-performance computers.** customer **We make high-performance** responsiveness that comes with the **customers.** industry's only tried-and-tested 64-bit servers—whether they're running DIGITAL UNIX®, OpenVMS® or Windows NT.™ Or the bankable investment value of high-availability “clustered” systems created to work every second of every day. Or the vast array of options made possible by our partnerships with other industry leaders. Naturally, we support these business solutions with our own global network of service professionals. So call 0800 393 200. Make the leap to www.digital.co.uk. And make the DIGITAL edge your own.

digital
Whatever it takes.™

©1997 Digital Equipment Corporation. DIGITAL, the DIGITAL logo, AlphaServer and OpenVMS are trademarks and Windows NT is a registered trademark of Microsoft Corporation. UNIX is a registered trademark in the USA. All other names are trademarks or registered trademarks of their respective companies.

Israel
quant
over S
capti

Clinton c



5.75%

Small space.
Big savings rate

صكرا من الاميل

Israel in quandary over social captives

Stephanie Nolen
Jerusalem

Haifa Faras is serving a two-year sentence for trying to stab an Israeli soldier with a knife in September 1995. She should be released this week. Israel agreed as part of its Hebron deal with the PLO three weeks ago that she and 28 other female Palestinian political prisoners would be freed during the Muslim holy month of Ramadan, which ends this week.

But Ms Faras, 31, is not a typical political prisoner, and she is far from elated at the thought of her impending freedom. She admits that her motives in confronting the soldier with a kitchen knife were not primarily political: she was desperate to escape her family, who wanted her to go to Saudi Arabia, and thought an Israeli jail was the best place to do it.

The *Independent* has learned that many of the other female prisoners have similar stories: they had social, rather than political, motives for their attacks on Israelis. According to the Women's Organisation for Political Prisoners, only eight of the 29 women – whose release was debated for weeks in the peace negotiations and bitterly denied by some Israelis who oppose freeing women they call "terrorists" – were primarily political in their motivation.

The others are what the WOPP calls "social cases": unhappy young girls who sought personal freedom in the form of an Israeli jail. Fleeing abusive homes, arranged marriages, or choosing to continue their studies, they committed acts of violence against Israelis, knowing that they would be given lengthy jail sentences.

In autumn 1995, Ms Faras visited relatives in the Gaza strip. Her parents, Palestinian refugees who now live in Saudi Arabia, told her it was time to join them. "But I was so happy to be in my country [Gaza]," she says. "I had studied microbiology for six years and I knew that back in Saudi I couldn't be free like I was in Gaza."

So one morning she tried to stab a soldier at a checkpoint in Gaza, and as she had expected, she soon found herself part of a well-known small band of women prisoners in Telmond Prison, north of Tel Aviv. Her family has never been to visit her in jail – "they are angry, they

think my disobedience was shameful" – and she dreads facing them, if they will in fact take her back, upon her release.

"Palestinian society is patriarchal, and under the Israeli occupation, it was especially tightly controlled," said Itzhak Jikhil, an activist with the WOPP, which raises funds and provides lawyers for the women. "Some women saw no other escape, felt they had nothing to lose, and in the environment of the Intifada [Palestinian rebellion], they saw stabbing a soldier as the best way out."

Last summer, when Israel announced that all the women except five who "have Jewish blood on their hands" would be released, the others refused to go. They barricaded themselves together in two cells and held a 19-day hunger strike, until Israel agreed that they would stay in prison. "And if we are not all released this week, then we are all staying," Ms Faras said. "I've learned here that it's a good thing for girls to fight in the resistance," she explains.

Ms Faras has an almost reverential respect for the five women for whom she has remained in jail. Among them is Rula Abu Dehu, 28, who has served nine years of a life-plus-25-years sentence for transporting a weapon used to kill an Israeli, a charge she still denies.

Abu Dehu was a member of a cell of the Popular Front for the Liberation of Palestine, and still speaks proudly of her activities with them. But she acknowledged in Telmond last week that few of the women imprisoned there with her were activists like she was.

"It's true, they weren't like me," she said. "But look at what they chose to do: they didn't run away, they didn't use drugs or rob a store, they chose to attack a soldier. That spirit of resistance is in all Palestinian women."

■ Nablis, West Bank (AP) – A Palestinian land-dealer who died in custody over the weekend was tortured by his Palestinian interrogators, the justice minister Fehi Abu Meideen said in an interview published yesterday.

The death of Yousef Baba, 32, brought to 11 the number of Palestinians who have died in detention since Yasser Arafat's self-rule government took control of parts of the West Bank and Gaza strip in May 1994.



Winning ways: A supporter kissing Muslim League leader Nawaz Sharif, likely victor in yesterday's poll. Photograph: AFP

Pakistan votes old leader in from the cold as sense of futility rules

Jan McGirk
Lahore

Early election results in Pakistan indicated that the Muslim League leader Mian Mohammed Nawaz Sharif would win a popular majority and be able to form a new government as predicted.

Since martial law was lifted a dozen years ago, the seat of power in Islamabad has become a dunking stool, with arch-rivals Benazir Bhutto and Nawaz Sharif toppling in turn. There were plenty of excuses for Pakistanis to stay home from the polls yesterday. But blaming the cold weather or the late nights due to the holy month of Ramadan for the thin turnout, estimated at roughly 28 per cent, did not mask a general sense of futility. Few people seemed to believe that their ballots would make much difference. Before their newly chosen leader's five-year term was up, any choice made by the nation's 56 million potential voters could be ousted again by the President, as Ms Bhutto and her government were dismissed last November, following allegations of widespread corruption.

A bored election worker in mid-town Lahore, waiting with a cluster of soldiers at a grimy polling booth, said: "Everybody is fed up. There could be another election within six months." No one had shown up to cast a ballot there five hours after elections started. Even the erstwhile cricket champion Imran Khan and his wife Jemima could not vote for their fledgling Movement for Justice

Party – Mr Khan had registered in a district where his party fielded no candidates.

Ms Bhutto has vowed to challenge any result that goes against her. Forecasts that the former prime minister Nawaz Sharif would win, coupled with despair over charges against her, made her supporters "too disheartened" to show up in force, party workers said. Many Muslim League partisans also stayed home, confident of victory, a spokesman said.

Agitators for the religious Jamaat-e-Islami party drew the most attention in the quiet streets, shouting slogans and leafletting vehicles. They had called for polls to be postponed until after charges were pressed against officials accused by the caretaker government's Accountability Commission.

Details have emerged in two publications, *Ogonyok* magazine and *Novaya Gazeta* newspaper, Mr Chernomyrdin, long caricatured as a dreary bureaucrat, fuelled the scandal by admitting the bears were shot, disputing only their age and size.

If the papers are to be believed, the preparations for the hunt rivalled those of a production at the Bolshoi Theatre. Bulldozers reportedly ploughed a mile-and-a-half-long road through the forest to a bear den and mowed down a clearing for a helicopter landing pad.

The woods were swarmed by armed agents of the Russian Federal Security Service, successors to the KGB. Mr Chernomyrdin and his hosts, accompanied by bodyguards and professional hunters swept on to the scene in a convoy of Volga cars, accompanied by a mobile dining room and kitchen. An ambulance was also on hand.

The Prime Minister's host, the governor of Yaroslavl, appears to have been anxious that they should enjoy a fruitful day, not least because the point of inviting him was to persuade the government settle an enormous debt to the region.

In Brezhnev's time, aides would release wild boar in front of the muzzle of his gun. They

Fur flies over Russian PM's unbearable forest jaunt

Phil Reeves
Moscow

Russians have long thought nothing of the fact that their leaders like to ease the tensions of Kremlin life by blasting away at fur and feather. Lenin, Nikita Khrushchev and Leonid Brezhnev were all fond of stepping out into the woods to wipe out a little wildlife. Though sick, Boris Yeltsin last year shot 40 ducks and a wild boar for his friend the German Chancellor, Helmut Kohl, without a squeak from anyone except his doctors.

But Viktor Chernomyrdin, the Prime Minister, seems to have gone too far. Even Russia, with its fondness for furs and fighting dogs, has been shaken by revelations about a hunting expedition in which two bear cubs and their mother were goaded out of hibernation and shot dead – one of the cubs falling to a bullet from the Prime Minister's rifle.

Hunting is traditionally regarded by Russian men as a means of showing the world that they are *muzhiki* – no-nonsense, guys' guys. But Mr Chernomyrdin is emerging from his visit to the forests of Yaroslavl, north of Moscow, with less of a red neck than a red face.

even tied them to trees on days when their leader's aim was particularly unreliable. When the old man's fancy turned to rabbits, his bodyguards would release animals in the nearby woods in such quantities that he was certain eventually to hit one of them as they hopped and nibbled in his field of range.

The Chernomyrdin hunt seems not to have matched Brezhnev's standards – but almost did. The hunters took their positions, but no bears emerged. A pack of dogs was re-



Chernomyrdin: Shot a cub goaded out of hibernation

portedly sent in to arouse the animals from their hibernation. Still no bears. Only after the hunters poked inside the den with sticks did a cub stagger out into the snow, to receive a bullet between the eyes, courtesy of the honoured guest. According to the newspapers, the second cub was killed by the governor, while their mother went down in a hail of bullets.

In Russia, killing adult bears causes little outrage. But cubs are a different matter. The government "should be ashamed, before the people, before God, before their own consciences", thundered *Novaya Gazeta*. *Ogonyok* called it "akin to common murder".

Mr Chernomyrdin has defended his conduct. "I do not know why there is all this clamour," he told the TV current-affairs programme *Izvestiya*. "When the bear is in the den, we are supposed to peek in first?"

There was a she-bear and two cubs, but they were grown up," he said. "I would like the journalists who write these [stories] to have a face-to-face encounter with these cubs, not in the office, but somewhere else. I would enjoy watching that." It is, however, too late. One of the cubs has been stuffed. The other was lunch for the hungry hunters.

Clinton close to budget deal dream



Clinton: Taxes will be the real issue of the address

Rupert Cornwell
Washington

Within the space of three days this week, President Bill Clinton delivers a State of the Union address and sends a draft 1998 budget to Capitol Hill, which between them might help realise Washington's impossible dream – a solid, bipartisan deal to balance the federal budget within five years.

Tonight's State of the Union will contain few sensations, as befits a President who faces a Congress controlled by the opposite party and who won re-election last November by seizing the middle ground of American politics.

It will be Mr Clinton's opportunity to reveal the building

bricks of his famous "Bridge to the 21st Century," not so much sweeping proposals as a host of "micro-measures" dealing with the environment, welfare, schools, crime and above all taxes. Thursday's budget will flesh these out with figures, most notably \$98bn (£60bn) worth of tax cuts between 1998 and 2002, targeted towards job training, university education and a modest lowering of capital-gains taxes.

His opponents, predictably, seek cuts of almost twice the size, paid for by tighter curbs on the growth of the Medicare and Medicaid federal health programmes. But the gap between the sides is narrowing, and for the first time since they captured Congress in 1994, the Republicans have not declared a Clin-

ton budget "dead on arrival".

Such is the most visible symptom of "bipartisanship," the watchword here since elections whose outcome of divided government was widely taken as a demand from voters for both parties to cease squabbling.

Admittedly, sideshows along the way could derail all. One is the quarrel over a balanced-budget amendment to the Constitution, as vehemently opposed by the Administration as it is pressed by the Republican Congressional leadership. The President has no veto over the proposal, which is within a vote or two of the required two-thirds majority in both Houses. But its passage could destroy today's veneer of brotherhood.

Other hazards are a potential row over federal welfare reform, and the ethics controversies swirling around Speaker Newt Gingrich and Mr Clinton, for his involvement in shady Democratic campaign fund-raising. These dealings will be probed by a Senate Committee, which next week will begin hearings that could degenerate into another White House witch-hunt.

But prospects have never been better for a balanced budget deal. The deficit, at \$107bn in fiscal 1996, is the smallest in nearly two decades and Republicans are chastened by the memory of the two unpopular Government shutdowns they forced in winter 1995/96, a misjudgement that launched Mr Clinton on his comeback and re-election.

The more you stay, the better it gets.

Add some sparkle to your business trips.

Every time you stop over at Holiday Inn, you're doing a lot more than just letting yourself in for a warm welcome and a comfortable room. And as a Priority Club member, you get a full range of privileges. But there's more: our Executive Extravaganza, which runs from 15 January to 15 September 1997, adds a number of spectacular benefits. After just 3 stays you can earn 400 bonus Priority Club points (often doubling the usual amount) and use them for an Executive Bedroom upgrade. If you're a keen collector, you could enjoy a weekend night for two at many of our hotels for only 1200 Priority Club points. And then there's our competition. Enter now, you'll receive an instant souvenir and perhaps earn one or two of the hundreds of exciting prizes along the way. The top prize is a week of fun in Hollywood for you and the family. A glitzy prospect adding extra sparkle to your business travel.

For reservations at over 240 hotels in Europe, the Middle East and Africa, call toll-free: 0800 897 121.

☐ I want to find out more about Priority Club.
☐ I want to register for the Executive Extravaganza Competition.

For full details of prizes and rules: • Call us on our toll-free number above
• E-mail us at www.hi.com/priorityclub
• Visit this coupon to Executive Extravaganza, Gable Park, North Bucks, SL7 1TY, UK
• Fax this coupon to (44)1628 472077

Title _____ First Name _____ Surname _____
Street _____ City _____
Post code _____ Country _____
Language preference: English ☐ French ☐ German ☐ Dutch ☐ Spanish ☐ Italian ☐

Holiday Inn
8 MONTHS OF CHALLENGE AND SPECTACULAR PRIZES

DIRECT LINE INSTANT ACCESS ACCOUNT

UPTO 5.75% GROSS.

Small space. Big savings rate.

Balance	Annual Gross Rate
£300-£4,999	4.50%
£5,000-£9,999	4.75%
£10,000-£24,999	5.00%
£25,000-£49,999	5.45%
£50,000+	5.75%

Call one of the numbers below for high interest with instant access.
0181 667 1121 0161 833 1121 0141 221 1121
LONDON MANCHESTER GLASGOW
CALL ANYTIME 9am to 5pm Monday to Friday and
9am to 5pm Saturday. Please quote ref. IND38

Direct Line and the red telephone are trademarks of Direct Line Insurance plc.
used with its permission. Rates subject to variation.

NF set for fourth victory

John Lichfield
Paris

Desperate efforts were being made yesterday to prevent a fourth French town hall from falling into the hands of the far right after a startlingly clear victory for the National Front in a satellite town of Marseilles.

The first round result in Vitrolles, an unlovely concrete jungle in the Bouches-du-Rhône, might be written off as a local aberration. The Socialist mayor of the town is under investigation for fraud and the area has high unemployment and severe racial tensions. But confirmation of the National Front victory in the second round this Sunday will have powerful, national reverberations.

Vitrolles would be the fourth town, all in a small arc from the Rhône valley to the Mediterranean coast, to fall to the National Front. More important still are the personalities involved.

The nominal victor on Sunday, with 47 per cent of the vote, was Catherine Megret, an electoral novice. The real victor was her husband, Bruno Megret, 47, the second-in-command of the National Front, plausible rising star of the French extreme right, and possible successor to the NF founder and leader, Jean-Marie Le Pen.

Mr Megret is banned from running because he exceeded the legal limit on election expenses when he lost the mayoral election in Vitrolles in June 1995. The entire election was so riddled with "irregularities" – on all sides – that it was declared void by the Council of State. A proxy victory for Mr Megret in

[illegible]

Cook finds the right recipe for Europe



ONE CANADA SQUARE CANARY WHARF LONDON E14 4DL
TELEPHONE 0171-293 2000 / 0171-245 2000 FAX 0171-293 2435 / 0171-245 2435

Probably we will stay out in the first wave; probably we will enter by 2002. That is how Robin Cook would like us to read his latest comments on British entry to a single currency. It sounds like a cautious compromise. It is. But don't knock it.

In the circumstances, the position that Labour is gradually carving out for itself on economic and monetary union is the most sensible available stance. In fact, it is the only tenable one. Kenneth Clarke must be wishing he could persuade the Conservative Party to endorse it too.

If monetary union is working well, and if the British economy is suffering by remaining outside a single currency bloc, then the chances are a Labour government will sign up to the euro. The Labour Party's door, in other words, is hesitantly half-open to the single currency.

The Conservatives' door is half-shut, and swinging firmly closed. We can understand the Euro-sceptics' anxiety. We would be happier if all this were not really happening. The democratic threat posed by a single currency, on top of the economic uncertainty about its effectiveness, both lead us to feel profoundly wary.

But no one is going to wish this thing away. That essentially, is what the Conservative campaign team want to do. Their weeping lion (the latest Saatchi image) suggests a somewhat fairy-tale

view of the future. The evil-eyed wicked witch of the west, otherwise known as Tony Blair, is forcing a single currency on his hard-pressed munchkins. But the fearful lion accompanied by a brainless scarecrow and a heartless tinman are going to bound off down the yellow-brick-road and home to safety, far away from those nasty Europhile lefties.

Nonsense. There isn't anywhere for Britain to escape to. Monetary union is happening. It will almost certainly happen on schedule, since the French and German political elites are so committed to it.

If it works, and that is still a big if, then it is hardly plausible that Britain could stay out for ever. Imagine Europe in 2010. Inside a large single currency bloc are Germany, France, the Benelux countries, Austria, Italy, Spain, Scandinavia, the Czech Republic, Hungary... the list goes on. Within the huge euro-zone, businesses don't have to bother their heads about currency speculation. They don't have to worry that the cash they pay their producers with will suddenly rise in value compared to the cash they collect from their customers across the border, squeezing their profit margins beyond their control. Across the Channel, however, things look rather different. Companies have to add to the hassle and cost of sending goods across the sea to European customers, the unpredictability of currency changes

and the higher interest rates that Britain would probably suffer. It does not take a Toyota chief to work out the best place for future investment. And the British people, watching the disparities grow, are likely to opt for a single currency too.

So Robin Cook is right to say that if EMU is successful, a Labour government would find it hard to keep Britain out. But he is equally right to prevaricate about going in as part of the first wave.

Consider the timetable. Joining up would require some quick thinking, quick decision-making, and quick per-

suading, by a fresh and untested Labour government. Parliamentary timetables would be entirely clogged up by Euro legislation. A new Blair government would have to risk going to the polls in a referendum on a single currency, after hardly any time to make a positive case for joining. Although the British public may accept the euro if they can see it working, they are too conservative and too sceptical for a leap in the dark.

Moreover, serious problems with the euro remain. The risk of economic crisis in Europe under a single currency remains considerable. The low interest

rates currently needed by Germany would be hopelessly inflationary if applied to Britain, which came out of recession earlier than the Continent. If structured badly, the single currency could lead to terrible persistent unemployment in some parts of the union, provoking political tensions that could destroy the entire project. Waiting to allow further economic convergence - and that means real integration of European markets, not just similar inflation rates and government borrowing requirements - has a lot to be said for it.

And then, of course, there is the democratic deficit. Signing up blind to an economic system which provides almost no democratic accountability for policy decisions which have a huge impact on people's lives would be a mistake. A British government which is not opposed to a single currency in principle should be fighting fiercely to influence and reform the EMU project before taking the plunge. So Mr Cook's position makes sense: accept the difficulties of staying out for good, point out the reasons for staying out in the short term, and keep all options open along the way.

The best aspect of his position, however, is that if a Labour government is elected, we will have a proper discussion about the merits of the single currency. With the Conservatives in power we cannot have that argument.

because any plausible Tory leader would have to suppress the full range of views within his or her own party. Out of power, Tories would be free to give full voice to their views, pro-, anti-, and not entirely sure.

Robin Cook, Gordon Brown and Tony Blair, and everyone else, would have plenty of time to listen to Mr Portillo and Mr Clarke arguing, while finding out (because they might start talking to us) what the French and Germans are really up to.

A game of two bureaucracies

In rugby, cricket and of course football, the age of the gentleman amateur is supposed to be over. Welcome to the paid pro. But when it comes to governing these sports, especially inside those committees with international reach, we don't match up. That the Germans should be trying to stitch up the World Cup in 2006 says only that they are good at playing the game of committees and cronies. Instead of moaning, the English should get their act together, lobbying here, nobbling opponents there. That there is intense rivalry between FIFA and UEFA makes this game all the more open. Let's get on and play it, with greater skill.

LETTERS TO THE EDITOR

Scandal of unfed NHS patients

Sir: Sadly we must support your report that many frail older people are not getting the food and drink which they need while in hospital ("NHS patients being left to starve", 3 February). Here are a few quotations from many letters and phone calls we have received:

"My father when in hospital told me that he had not eaten for two days because food had been placed out of reach. Thereafter I made sure I visited at the necessary times."

"When I visited my mother the lady in the bed next to her grabbed my hand and said 'Stay with me as I am so hungry - if they see someone here they feed me, otherwise they don't'."

"My mother, 92 and very handicapped physically and mentally. Unable to turn herself over in bed or sit up. After lunch, day after day, and in the best were my mother's cup of tea was left on the locker. My mother was also diabetic and frequently thirsty. It upset me that she could see the drink but was unable to reach it. Mentally and physically she was not capable of asking for help."

The problem is far too widespread to be blamed on the shortcomings of particular nurses (if indeed feeding patients is still their responsibility). There appears to be an organisational breakdown, with meals now being delivered and collected by catering staff, with no clear arrangements as to who is responsible for helping people who are too physically or mentally frail to feed themselves, nor staffing time allowed to give priority to helping them. In addition, equipment for helping people feed themselves is no longer readily available in wards, but is kept in occupational therapy departments with forms and sometimes internal payments necessary to access it.

Our organisation is one for relatives and friends of older people in homes and in the few remaining hospital long-stay wards. Hospitals are not therefore our prime focus, but it is a national disgrace that this problem can exist, especially when one considers that some of the most vulnerable will not have been eating properly before their admission.

JENNY STILES
Director
The Relatives Association
London WC1

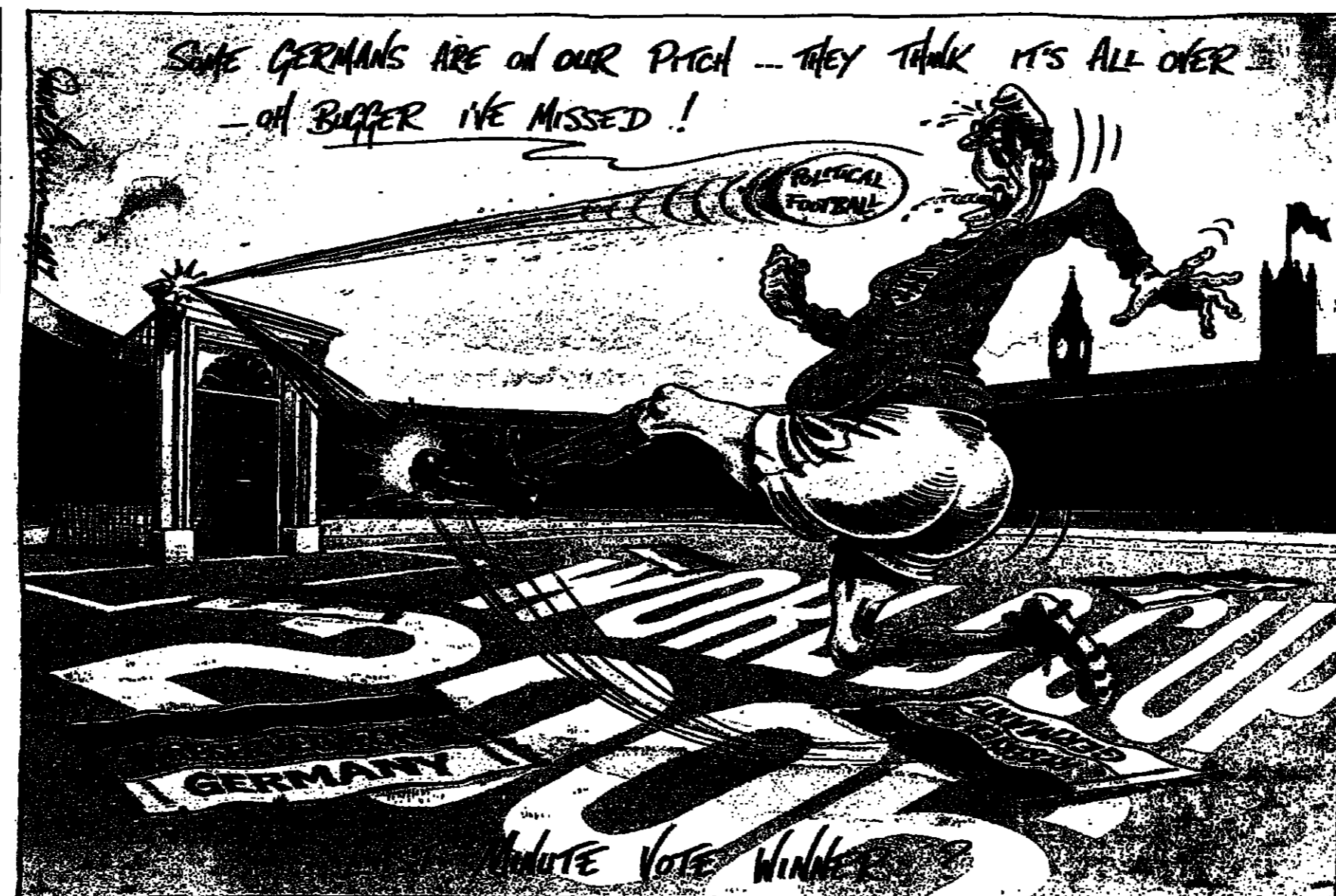
The people who deny Holocaust

Sir: I am generally against censorship, but there are two aspects of the Holocaust controversy ("Blair may make denial of Holocaust an offence", 30 January) which need our attention.

The first is that not only do claims that such mass atrocities never occurred cruelly insult the memory of those who died, but the millions of bereaved relatives are publicly classed as liars.

The second point is that those who champion hatred of whole races find support and comfort.

When researching in the Johannesburg public library in the 1960s, I found that probably the first editor of any newspaper of any Allied nation to spread the calumny against the Holocaust victims was the editor of the official newspaper of the pro-apartheid Afrikaner Nationalist Party. The newspaper was *Die Transvaler*. The date was April 1945 - before the European war had even ended. The first Nazi death camps had recently been discovered. The editor claimed that they were fakes erected and filmed



by Hollywood in order to "besmirch" the name of the German people.

That editor was Dr Hendrik Verwoerd, later to become South Africa's most racist Prime Minister, and the architect of the neo-Nazi apartheid policy.

LEN CLARKE
Uxbridge, Middlesex

Sir: I agree with Antony Lerman that "criminalising Holocaust denial would be a mistake" (article, 29 January). He cites a number of past wars of genocide, but overlooks the most recent: Bosnia.

Throughout the four years of Bosnia's war, the Western media persisted in providing space for the lies and distortions of the pro-Serb camp of genocide deniers, which includes MPs and Western government officials. Many like myself, during my stay in Britain, had to put up with such fabrications as "Muslims shelling their own people".

"The so-called victims of mass rape are making it all up" and "The Serbs are saving Europe from the threat of Islamic fundamentalism".

For those of us who have been advocating Bosnia's right to defend its very existence, it was tempting to demand the criminalisation and censorship of our opponents. Instead, we sought to confront and expose their wicked myths.

If we start denying people their right to free expression, where do we draw the line? Why not, for example, Salman Rushdie's *The Satanic Verses*?

DR SALAH EZZ
Faculty of Engineering
Cairo University
Egypt

from such people we enter on a slippery slope. If we justify invoking the criminal law on the grounds that this is very important, on what leg do we stand should we wish to oppose an attempt by John Major to criminalise the view that unemployment has not fallen, or by Cardinal Winning to criminalise the view that abortion is not murder? Moreover, we cannot be certain of any view if we are not free to test it.

In reaching for the criminal law Tony Blair is showing the same fatal weakness for compulsion which he showed in his *Big Issue* interview. This weakness encourages me to believe that he deserves to join Margaret Thatcher amongst the great enemies of Liberalism.

EARL RUSSELL
Liberal Democrat Social Security Spokesman
House of Lords
London SW1

Telling point

Sir: I note with interest the much-heralded visit of our Foreign Secretary, Malcolm Rifkind, to Sweden to tell the Swedish people about his vision of Europe.

Is this the green light from our government for the foreign secretaries of the other 14 EU member states to come to Britain in the coming weeks to tell the British people about their vision of Europe?

PAULINE GREEN MEP
(London North, Lab)
Leader, Socialist Group in the European Parliament
Brussels

Struggle to open Whitehall files

Sir: The open government code of practice is indeed an important initiative which is helping some people to prise information out of government departments ("Access to official papers praised", 31 January). But it is not as helpful as it should be.

Ombudsman investigations are now taking four times longer to complete than originally intended. At the code's launch in 1994, the former Ombudsman set a 13-week target for dealing with complaints. The first year's cases averaged 15 weeks.

In 1995 the average investigation time doubled to 32 weeks, which the Ombudsman attributed partly to the complexity of the cases and partly to departmental obstructiveness. The most recent cases have taken even longer, 52 weeks on average, with one taking two full years. Even if information is ultimately supplied it may be too late to be of use.

For the second time, an Ombudsman investigation has been hampered by the Government's refusal to allow him to see relevant Cabinet committee papers. The Ombudsman's strong powers to see departmental files do not extend to these, and the Government recently rejected a select committee recommendation that they should.

MAURICE FRANKEL
Director
The Campaign for Freedom of Information
London EC1

Edwardian ladies on skis

Sir: I was surprised to read in Stephen Goodwin's interview with Janet Adam Smith (31 January) that ski-ing in the Alps "was virtually unknown until the 1920s".

My parents joined a ski-ing party at Villars in about 1902. It was organised by Henry Lunn, accompanied by his schoolboy son Arnold. I don't know if the ladies had taken ballgowns but they went down to dinner in their fur coats. It was the first time that Villars had been opened in the winter and there was no double glazing and probably not much heating.

I remember a photograph of my parents on their skis, my father in Norfolk suit and my mother in long Edwardian dress (and a huge hat, of course). In those days the Norwegian pronunciation of the word "ski" was used and my parents always talked about "shee-ing".

JOAN MEARNS
Marlborough, Wiltshire

High policy

Sir: Jonathan Glancey's piece "Upwardly Mobile" (31 January) raises interesting issues about the future development of London - in particular whether skyscrapers such as Sir Norman Foster's proposed Millennium Tower are an acceptable way forward.

In opposing this scheme the London Planning Advisory Committee (LPAC) is not setting

itself against tall buildings *per se*. Rather, we argue that development should be controlled within an agreed planning framework, so that central London sites are viewed as an organic entity rather than as piecemeal "opportunities".

Within such a planning framework LPAC believes there is a need for specific policy on tall buildings, since in the wrong place these can be dominant and intrusive on, rather than contribute to, the essential character of the capital.

Above all, as Mr Glancey rightly points out, we urgently need a directly elected London-wide authority. This is essential not only for architectural reasons, but also to plan for the social environmental and economic future success of Greater London and Londoners.

Councillor NICKY GAVRON
London Planning Advisory Committee
London SW7

Bridleway rage

Sir: May I append to J Howell's concise elucidation of the legitimate usage of bridleways (letter, 28 January) my wish that legitimate users be more aware of one another's rights?

As a cross-country cyclist, I have frequent recourse to bridleways. I try to be sensitive to other users, particularly pedestrians, by adopting sensible speeds and giving suitable warnings. Unfortunately, many pedestrians seem to feel I have no right to cycle in their proximity. I have occasionally encountered surprising rudeness from apparently well-mannered individuals.

K I McLEAN
Dorchester

A nation addicted to traffic fumes

Sir: On my return to England after years abroad, one thing that struck me was the pall of traffic fumes that swathed every inner city I ventured into. The blithe lack of concern about this form of pollution I found disconcerting.

Now I have become wiser: it seems the English actually thrive on exhaust fumes. How else can one explain the widespread aversion among drivers to turning off the engines of their stationary vehicles while visiting cashpoints, rifling the contents of the boot or accompanying their offspring into schools?

This revelation is not mine alone. After reading your article on proposed changes to British air quality classifications (31 January), I realised that the canny Conservative government has reached the same conclusion. Air containing 150 parts per billion oxides of nitrogen is soon to be officially described as "very good". Let us hope our foresighted ministers have a veto ready to preempt any contradiction from those tiresome Europeans.

PETER SHAW
Nottingham

Keynes the polite Alf Garnett

Sir: Further to Diane Coyle's account of the alleged racism of John Maynard Keynes ("A Keynesian view on race worth of Alf Garnett", 31 January), I happened to be talking to Keynes at a pre-war party in Cambridge. I referred to a particularly vicious example of Nazi anti-semitism which had just taken place. I was shocked to hear Keynes say: "Anti-semitism is saying out loud what people ought to keep to themselves."

LEONARD MIALI
Taplow, Buckinghamshire

Sir: Your article describes the manuscript in question, Keynes's essay *Population*, as unpublished.

The John Maynard Keynes Papers in King's College, Cambridge, including this essay, were published by Chadwyck-Healey in 1983, on microfilm, and have been purchased by libraries around the world.

JOHN RUSSELL
Chadwyck-Healey Ltd
Cambridge

First-class cold

Sir: Colin Dunn inquires about "cold etiquette" (31 January). The most satisfactory result for all concerned would be for him to offer to up-grade the young lady's ticket to first class. Mr Dunn can then sit in a (relatively) germ-free environment and the young lady can nurse her cold in comfort in what is invariably an almost empty carriage.

JOHN RIDGWAY
Birmingham

Fuel for the Sun

Sir: Why not fire nuclear waste, in small regular consignments, into the Sun? ("New doubt over nuclear dump", 1 February) Once you've compensated for the Earth's motion it's downhill all the way. And the Sun, which is an enormous nuclear furnace easily capable of swallowing whole planets, would make good use of it.

S D C OSTLER
Sedgeborough,
Hereford and Worcester

Post letters to Letters to the Editor, and include a daytime telephone number.
Fax: 0171-293 2056; e-mail: letters@independent.co.uk.
E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

Obstacles on the road to stopping another Drumcree

It isn't every day that a report commissioned by the British government quotes Louis MacNeice, Seamus Heaney and — with stunning appropriateness, given that the subject is Northern Ireland — a remark by Rabindranath Tagore to the effect that leadership in a diverse society is weak and harmful if it is based on consolidating differences. But then the report of the Independent Review of Parades and Marches is an unusual document.

It was set up under the vice-chancellor of Oxford University, Dr Peter North, last August in the shattering aftermath of the events at Drumcree. In proposing a powerful new commission which would adjudicate over disputed march routes, it has sought to do something limited and practical but none the less ambitious to avoid a repeat of last year's catastrophe. Then, the Orange Order, by sheer force of numbers, persuaded the RUC to reverse its ruling against a march down the Catholic Garvaghy Road in Portadown. The aim for North was to restore some of the faith in the British state which drained away from the nationalist minority — middle-class political Catholics included — immediately after that decision.

It was a carefully balanced review. David Trimble, the Ulster Unionist leader, claimed in the Commons last Thursday to be "amazed" that there was no reference in the report to the IRA or Sinn Féin or "to those elements that are associated with them which have used the occasions to foment serious public disorder..." He was taking a liberty with the facts. The inuendo that Dr North and his team were innocents abroad, unaware of protestant insecurity or Sinn Féin intimidation, simply doesn't wash. The report explicitly points out that "Unionist experience of suffering at the hands of the Provisional IRA... [has] played a large part in the widespread sense of anger felt by members of the Loyal Orders against the residents' groups which oppose parades." It notes that many residents' associations are indeed single-issue groups set up since the ceasefire; it even favours contrasts some of these with the Ardoyne residents group, set up in 1973 and with a constitution requiring a member from each street on its committee. Furthermore, it proposes, as its first principle, that the "right to peaceful free assembly should (with certain qualifications) be protected". What the report also does, however, is accept the pain and fear inflicted by a minority of the Orange parades on ordinary Catholics — and that the exercise of that right should "take account of the likely effect on their relationships with other parts of the community..."

The Unionists are on weak ground in opposing this stipulation, which is perhaps why Mr Trimble didn't overtly try to do so in the Commons. It's not as if North can be said to be part of some covert shuffle towards a united Ireland. The Unionists have claimed that because under Margaret Thatcher's Anglo-Irish agreement, Dublin has a right to nominate members of public bodies in Northern Ireland, it will help to determine the composition of the commission. But the appointments remain firmly in the hands of the British Secretary of State, and anyway the Irish government has already indicated that it would not even nominate to the commission. In fact North is settlement-neutral; it seeks instead to inject an element of the mutual respect between the two traditions in Northern Ireland which every serious politician insists, at least



Donald Macintyre

A planned commission on disputed march routes in Northern Ireland looks set for deadlock

"consult" for eight weeks on a report which was itself the product of exhaustive consultation. Sir Patrick privately made unusually strenuous efforts to preserve Labour's support. And Labour was faced with an unenviable decision: Mo Mowlam did indeed urge Sir Patrick to move quickly last week. But by attacking the Ulster Unionists, jeopardised the extremely fragile talks process, and given the Conservative Party a convenient excuse to end bipartisanship in opposition after the election, all without seeing a commission in place for the marching season.

Labour now can only press Sir Patrick — and Ms Mowlam will be meeting him soon — to move as quickly as possible in appointing the commission so that an incoming government can legislate immediately to give it the powers North wants. But the portents are not good. If the general election isn't until May, the sharply adversarial climate generated by the local authority elections in Northern Ireland and three weeks later could make immediate legislation difficult even if Labour wins. It would be a brave politician who would make Drumcree 1997 the first critical decision for the new commission, without it being tested earlier in the marching season. The threat that would confront an incoming Labour government could yet be a repeat of last summer's events.

And the report is eloquently factual on the trail of devastation left by Drumcree. You can only measure the financial costs; but those numbers themselves testify to the human suffering that underlies them: £10m in police overtime; £25m in criminal damage claims; £4.5m shortfall in the Northern Ireland Housing Executive costs of purchasing houses "which the occupants have been obliged to leave following the tensions of the summer" and a "dramatic" increase in the number of families homeless as a result of intimidation. At the weekend Dr Mowlam tried to give an incoming Labour government, if there is one, a little more leeway in the peace process, by appearing to him in an interview with the *Dublin Sunday Tribune* that it might impose slightly less prohibitive conditions on Sinn Féin entering all-party talks. But the problems are piling up.

Scaring mothers? It's Panorama's bit of fun

by Polly Toynbee

Puzzlement — to put it politely — greeted the social survey on which *Panorama* based last night's programme "Missing Mum" (working title, perhaps, "I Blame the Mothers"). The programme used an unpublished survey by Professor Margaret O'Brien of the University of North London, which purports to prove that full-time working mothers damage their children. Replete with emotive scenes, the programme showed how much worse children of full-time working mothers do in exams. The research was based on a study of 600 two-parent families in Barking and Dagenham, a largely white community with mothers working mainly in lower clerical grades. But social scientists were puzzled by findings that contradict so many studies in Britain and America.

Several were surprised that a whole *Panorama* was largely based on research that is not yet published, has not yet been submitted to a reputable journal of social research or subjected to the usual rigorous peer review process. (The programme also drew on a small Californian study of 100 families.)

Panorama's press release hyped the research to guarantee it widespread newspaper coverage: "Women who juggle a full-time job with motherhood may jeopardise their children's future." It claimed 25 per cent of the children of women with full-time jobs gained no GCSEs, while only 11 per cent of children from families where mothers work only part-time gained no qualifications. Fascinating and frightening findings, especially for the 21 per cent of us guilty mothers who do work full-time.

However, there was something not quite right about that press release. It gave figures for part-time and full-time mothers, but what of the children of stay-at-home mothers? Surely they must do best of all? The press release did not mention them at all, which was odd. Even odder, when I acquired the programme script, it did not mention them until page 21 of its 25 pages — and then only in a brief chapter. Why? Because the children of stay-at-home non-working mothers do worst of all. The script rapidly dismisses this by saying they are poorer families. Ah, so it is more complicated, perhaps.

Of course it is. No study of human behaviour is ever simple — and if it looks simple it is usually fatally flawed. There are so many variables, so many subtle causations. This is unpublishable work, unscrutinised by other professional sociologists and unfinished, as its author, flustered by all the alarmist headlines, hastened to emphasise yesterday. So we can only here ask all the questions Professor O'Brien peers would ask before it was published in a reputable journal.

This is a survey of higher manual and lower clerical grade women living in Barking and Dagenham. How can you extrapolate the experiences of these families and apply them to, say, affluent families with access to the best nurseries, nannies, or indeed, a boarding school like Eton? Of course the programme did — showing an anxious very successful business woman who had now gone back to part-time working to be with her children. (Oddly enough, this very same mother must be something of a professional BBC interviewee as a typical middle class mum: when I worked there I once interviewed the very same woman for a BBC item about child benefit.) If maternal absence is the most vital factor, wouldn't boarding school children do worst? If, on the other hand, maternal absence is only one of many indicators of success and failure, are you measuring the right thing?

Many studies show that high quality early nursery education is a key indicator of later academic success. Indeed yesterday the Institute of Child Health stressed its own research showing that children from good day-care do best of



Working women have always suffered from flawed and facile attacks on them

all. Does Professor O'Brien know anything about what day-care these children had when they were young? No, she admitted to me, she does not. She has studied them only between the ages of 14 and 16. She cannot sub-divide those who had good care from those who had bad; it might show that quality of care, not hours with mother is more significant.

Does she know how much time fathers spent with these children? (They are all two-parent families.) No, she says, she does not. Does she have a comparison of the total family income of both the part-time and the full-time working mother families? No, she says she does not. In fact, there are so many more questions to ask, you can add in your own here.

If you would like to consider the complexity of such surveys, take the work being done by Charlie Lewis, of the University of Lancaster, a previous co-author with Professor O'Brien. Investigating all the available studies, he found that paternal absence has a devastating effect on families. Children did worse in all respects. But once he corrected for the poverty effect of

the absence of a father, he found, to his surprise, that the differences between families with and without a father diminished to a level below statistical significance.

Or take the work of Kathleen Kiernan of the LSE, who studies the huge National Child Development Study — a cohort of all the children born in one week in 1958. This survey has all the data on the families from birth. Kiernan finds where mothers are working when a child is 16, daughters do considerably better and sons quite a lot better than where mothers are not working at all — and this is true of both lone-parent and two-parent families.

Far more fun to frighten the life out of the middle classes by suggesting Freddy and Fiona may not do so well at school because their mother is running British Steel (or indeed, like the mother who made this programme, staying up all night in the edit suite of *Panorama*).

Change is frightening and there has never been a social revolution as profound as women's liberation. Where is it all heading? There will be many more scare stories for a couple of generations until we get used to women's freedom. And often it is the women themselves who are most frightened by what we have done. But we have nothing to fear but fear itself — and the scare-mongers who whip it up.

Blaming the mothers is a good populist game — either these hard-working mothers or, as in a previous disgraceful *Panorama*, stay-at-home single mothers screwing off the state. This programme is deeply politically incorrect in an era when most mothers work. But what if it is just plain incorrect?

This is not just an academic issue. This research will remain in the popular imagination for a decade or more. People will quote it to one another for years to come, even if it were to be debunked at some later date. It will make many families anxious and cause them to make wrong choices. (Few institutions who decide to abandon their careers may find themselves non-working lone parents later; and children of non-working lone parents do far worse than children of single mothers who work.) Mothers already think they are to blame for their children's character defects or failure to fulfill their potential. To be less than perfect is, of course, to be human and so is having a less than ideal mother. How many ways can a mother fail her child? Too many to count.

But now step back a pace or two and ask this question. Supposing Professor O'Brien's research is water-tight, what exactly are we supposed to be so worried about? Are we, as a society, worried that some children have less good opportunities than others? Do we worry that life is unfair to some children? If so, just look at the chasm that divides the children of the middle classes from those of the growing underclass. Where is the *Panorama* blasting the monstrous iniquities which cause large numbers of children to fail from the day they draw breath?

But that is a boring old story. Far more fun to frighten the life out of the middle classes by suggesting Freddy and Fiona may not do so well at school because their mother is running British Steel (or indeed, like the mother who made this programme, staying up all night in the edit suite of *Panorama*).

Change is frightening and there has never been a social revolution as profound as women's liberation. Where is it all heading? There will be many more scare stories for a couple of generations until we get used to women's freedom. And often it is the women themselves who are most frightened by what we have done. But we have nothing to fear but fear itself — and the scare-mongers who whip it up.

Europe is Britain's business

A quick glance at any map of the world shows that Britain belongs in Europe. And a quick glance at our trade figures shows why we should be glad of this geographical accident. British business benefits greatly from our membership of the European Union. Around 60 per cent of our visible exports are already to our European partners.

We sell more goods to Germany than to the United States or Japan, more to the Netherlands than all the Asian tiger economies together, more to France than to the Commonwealth. The single market gives our firms access to more than 370 million consumers in the European Union, with massive new markets on the horizon through enlargement. Twelve countries are keen to join, bringing in another 100 million people. It is a surprise that there are some people in the UK who have any doubts about our membership.

But already the EU's GDP of £5,350bn makes it a bigger trade bloc than NAFTA, its North American counterpart. It is a larger integrated economy than the US and contains five of the world's richest countries. For British businesses today, this is not foreign territory. This is our home market.

The Government's chilly attitude to the EU is making companies such as Toyota think twice about investing in Britain. That's why, says Christopher Mackenzie, businessmen like him are looking forward to a Labour victory

Divisions in the Tory ranks were all too evident last week when John Major was unable to persuade his own candidates to sign up to his European policy at the coming election. It sends a message to business that the Eurosceptic wing of the Tory party is already too powerful for Mr Major to

for improvements to benefit all our firms and businesses. This massive market is the principal reason why Britain has proved such a powerful magnet for inward investment, investment which we all agree is vital to our future prosperity.

You don't need to worry about the nuances of translation of Toyota president Hiroshi Okuda's remarks last week to get his general meaning. It was very clear. It is a threat to jobs. Inward investors are unhappy about Britain's increasingly sour relationship with our European partners and are worried that this relationship is getting worse. I share their concerns.

It is a message which is increasingly echoing through many boardrooms in Britain. They know our economic future is inextricably tied to Europe, and to Europe's prosperity. Tying Britain off to the Far East is an alternative only for the fevered imagination of the most diehard anti-European.

They fear the drift of the Government under the pressure of Tory Euroscepticism. They are deeply worried about the growing whispers from Conservative ranks about renegotiation or even withdrawal. Those supporting these views are getting bolder by the day.

It does not mean Britain should be a pushover in Europe. There are tough negotiations ahead. Every citizen of every EU member country expects their government to fight to protect and promote their interests. Even Tories must accept that Mr Blair will be no pushover.

But business wants the Government to be more positive towards Europe, less reluctant and half-hearted, to start co-operating with our partners on common and shared goals. No matter what the present Government says, this is not the impression it leaves. This damages our relationship with the other countries in Europe. It damages our chances of getting what we want. But it also has a direct impact on British firms.

Ask businessmen and women who spend much time on the Continent and they will tell you there is fall-out from the constant bickering with Europe. The abrasive tenor and tone of the Conservative attitude to Europe has meant some British firms have to overcome increasing suspicion when looking for business abroad. Business

is competitive enough without our own Government putting new obstacles in our path.

Above all, what British business wants is immediate action to complete the single market and ensure existing rules are properly enforced. Tony Blair's pledge to open up the European market in gas and electricity, telecommunications and financial services is vitally important for British jobs. Our firms are well placed to take advantage of the opportunities a genuine single market would bring.

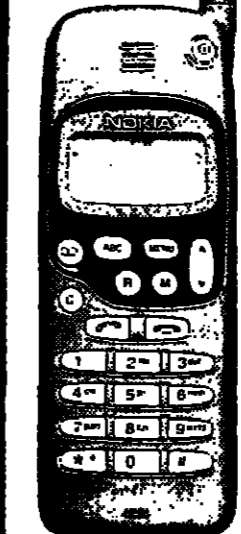
The Labour leader has made clear that this will be a priority for him in Europe. I believe that, because of the positive approach he intends to take to these negotiations, he has a much greater chance of making progress than any Conservative premier. Mr Major or his successor would be constantly looking over his shoulder to see if he could command a majority of his own backbenchers. A divided party could prevent him acting in the national interest.

It is for this reason that I believe this country needs a change of government. It is for this reason that I believe a Labour government under Tony Blair offers a brighter future for Britain. And it is why I believe all companies that trade in the global economy, or intend to in the future, will be better served by a Labour government after the next election.

The writer is president of GE Capital Europe Ltd, a subsidiary of the General Electric Company, USA.

HALF PRICE SALE PLUS FREE CALLS

WAS £9.99 - SALE PRICE £4.99



NOKIA
NEW GSM MODEL 1610.
• Up to 3.5 hrs talk-time
• Up to 100 hrs standby-time
• Up to 200 name/memo
• memory SIM dependent
• Fast recharge - 55 mins
• Weight 250g

QUOTE REF: 5208

FREEPHONE 0800 000 888

CREDIT CARD ORDERING HOTLINE WEEKDAYS 9AM TO 6PM WEEKENDS 9AM TO 5PM

PLEASE NOTE: NEW CREDIT CARDS AND NEW ACCOUNTS ONLY. CREDIT CARD ORDERING HOTLINE. WEEKDAYS 9AM TO 6PM WEEKENDS 9AM TO 5PM. PREPARED BY: GE CAPITAL EUROPE LTD. A SUBSIDIARY OF THE GENERAL ELECTRIC COMPANY, USA. © 1997. ALL RIGHTS RESERVED. THE INFORMATION CONTAINED HEREIN IS FOR INFORMATION ONLY AND DOES NOT CONSTITUTE AN OFFER. THE INFORMATION CONTAINED HEREIN IS FOR INFORMATION ONLY AND DOES NOT CONSTITUTE AN OFFER. THE INFORMATION CONTAINED HEREIN IS FOR INFORMATION ONLY AND DOES NOT CONSTITUTE AN OFFER.

business & city

Business news desk: tel 0171-293 2636 fax 0171-293 2098
BUSINESS & CITY DEPUTY EDITOR: MICHAEL HARRISON

Institutions talk tough on ballot by ScotAm

Nic Cicutti

Three UK fund managers with thousands of Scottish Amicable policies in their investment trusts are to meet next week to discuss voting down the company's plans for a two-stage demutualisation unless it calls its ballot of members.

The three firms, Scottish Value Management (SVM), BZW and Kleinwort Benson want ScotAm to discuss takeover offers from various bidders, including Abbey National which declared its hand last week, before putting proposals to a vote.

Brian Moretta, fund manager of SVM's Life Offices Opportunities Trust, said yesterday: "Abbey National has not got detailed enough figures to put a proper deal on the table. It needs more information before it can do so."

"If Scottish Amicable puts its proposals forward [before then] it is running a very serious danger of having them rejected. That would put its management in a very difficult position."

Simon White, director at Kleinwort Benson Investment Funds, said his company would look carefully at any ScotAm proposals.

His comments came as the increasingly embattled ScotAm board restated its policy of going ahead with existing plans, involving an immediate £75m bonus to policyholders if they vote for demutualisation. Up to £400m might be available at flotation in three to five years.

Abbey National's deal involves about £1.4bn, of which at least £400m would go to shareholders in cash or shares, with the rest being paid for the value of the underlying life fund.

Meanwhile, the likelihood of other bidders entering the race increased as it emerged that at least one company, the

Dutch insurer Fortis, has contacted ScotAm to offer talks. Fortis refused to comment. ING, the Dutch owner of Barings, also refused to comment on suggestions that it too contacted the Scottish company.

Experts also pointed to Prudential and NatWest as preparing to mount an assault. Abbey National yesterday prepared to step up its takeover battle for ScotAm by threatening to take the campaign to the insurer's 1.1 million policyholders if a ballot goes ahead.

Abbey National's tactics include a massive media publicity blitz, and mailing as many policyholders as possible through the client lists of independent financial advisers. Abbey is also prepared to demand ScotAm provide it with a full list of policyholders so it can mail them details of its offer.

A spokeswoman said: "We are hoping to be able to deal with the management there in a friendly way and we hope it won't be necessary to do this."

Lazard Brothers, Abbey's advisers, yesterday wrote formally to SBC Warburg, ScotAm's counterpart, to formally table a bid for the company.

John Nelson, vice-chairman at Lazard, said in a letter to Jock Birney, his opposite number at SBC Warburg, that Abbey National's offer was "substantially more attractive" than his own proposals.

"Accordingly, we are strongly requesting you to defer sending your proposals to policyholders with the Scottish Amicable board's recommendation."

A ScotAm spokesman replied: "They're asking for privileged access to information before policyholders who must get that information, see the details of what we're offering and at that time Abbey can make a proper judgement of its offer."

BR sells a slice of nostalgia as memorabilia shop is bought out by management



Sign of the times. Stock (pictured above) from BR's railway memorabilia shop, Collectors' Corner, which was sold off yesterday to its management under the rail privatisation programme. The shop, located near to London's Euston station, sells everything from locomotive name plates and insignia to old timetables and railwaymen's pocket watches. The shop is part of National Railway Supplies,

which has been bought by its management and the car parts group, Unipart. The 300 staff of NRS, which has a turnover of £68m and supplies signalling, telecommunications, track and other rail products, have been invited to apply for shares at a cost of about £400 each. Cliff Webb, who joined NRS as managing director five years ago after a career in the steel and engineering industries,

says the plan is to grow revenues substantially, rather than relying on its existing contracts with Railtrack and the railway infrastructure maintenance companies. The management team, which will own 51 per cent of NRS, beat off competition from the US rail equipment firm Harmon Vaughan and the facilities management group Serco.

Photograph: Nicola Kurtz

MTM's founder jailed for two years

Jill Treanor

Richard Lines, the founder and former chairman of MTM, which was once the UK's second-largest fine chemicals company, was jailed for two years yesterday for fraud which wiped £250m off the company's share price in 1992.

Lines, 60, was also disqualified from acting as a company director for five years. Thomas Baxter, 45, the former finance director, was jailed for six months and disqualified from acting as a company director for two years.

Jailing Lines, Judge Grigson said at the Old Bailey: "Ambition motivated him, not greed, but he persistently and deliberately proved to be dishonest." The judge told Baxter he had failed in his duty.

Lines, of Great Ayton, Cleveland, set up MTM in 1984 after 11 years at ICI and before that a 15-year career in the Royal Navy. Through MTM he made millions and in 1991 he took home £3m after selling shares in the company. He was also awarded an OBE.

The company commissioned

a book to tell the story of its rapid growth for which Sir John Harvey-Jones, the former head of ICI, wrote the foreword.

MTM was floated on the Stock Exchange in 1986 after which it made a series of global acquisitions to become, by 1991, the second-largest fine chemicals company in the UK.

The two men were convicted in December on charges brought by the Serious Fraud Office and North Yorkshire Police fraud squad.

Lines was convicted of two offences of conspiring to account

falsely and one offence of making misleading, false or deceptive statements. Baxter was convicted of one offence of conspiracy to account falsely and another of making misleading, false or deceptive statements. He was acquitted on a further account of conspiring to account falsely.

The SFO's investigation began after the collapse of MTM's share price in March 1992 from 226p to as low as 25p. Baxter and Lines lied to analysts and investors about the true state of the company's financial

health just days before it issued a profits warning.

The prosecution also argued that Lines took advantage of the previously buoyant share price to fund the acquisition of Hardwick Chemicals in 1990 and by selling shares after key announcements containing false information as to the profitability of the company.

"Mr Lines' elaborate schemes to falsely enhance the company's share price led to its collapse with a loss of £250m," said Stephen Myers, the SFO lawyer in charge of the case.

Ivory & Sime in bid spotlight as chief quits

Magnus Grimond

The recent staff turmoil at Ivory & Sime, the Edinburgh fund management group, came to a head yesterday with the ousting of managing director Colin Hook by Caledonia Investments, the group's largest shareholder.

Mr Hook is being replaced immediately by Sir David Kinnock, deputy chief executive of Caledonia, the main investment vehicle of the wealthy Cayzer family which owns a 29 per cent stake in Ivory & Sime.

The shares added 3p to 246p on hopes that the move makes

it more likely that the group will become a takeover target.

Mr Hook was appointed by Caledonia two years ago following its original investment to sort out Ivory & Sime after a period of staff departures and poor investment performance. But he quickly invoked the ire of many fund managers by removing them from the board and stamping what was said to be an autocratic management style on the group.

The rising discontent has seen a string of staff departures in the last few months, culminating in the recent announcement that a large part of the UK equities team was leaving to set

up on their own, including Mark Tyndall, the head of the department, and John Dodd, leader of the smaller companies team.

Sir David, who was until yesterday non-executive chairman, said investigations he had instigated after his increasing concern over the defections at senior level had all pointed in the same direction.

Mr Hook had done an excellent job in the early part of his tenure at the group, "but people found it difficult to get on with him and it affected staff morale. I talked to him over the weekend and he offered to resign, which I accepted."



Colin Hook: His offer to resign was accepted

He dismissed suggestions that there had been a mutiny among staff still remaining at Ivory & Sime and said Caledonia had no plans to sell its stake.

C&W set to pull out of German telecom tie-up

Chris Godsmark
Business Correspondent

Cable & Wireless may issue legal proceedings against RWE and Veba, the two partners in its German telecommunications alliance, Vebacom, as speculation increases that the British group is to sever its ties with the venture.

The dispute is believed to be over documents drawn up when RWE, a leading German utility, opted to join Vebacom, switching allegiances from its partner with British Telecom's German ally, Viag. At the time the change was viewed as a coup

for C&W and Dick Brown, its recently appointed chief executive.

However, a source close to C&W said that German and English versions of the heads of agreement documents differed in key respects, leading to a protracted wrangle over the terms. The three partners have yet to sign contracts formally to include RWE in Vebacom, formed when C&W linked up with Veba in 1995.

The source said: "This is undoubtedly the worst deal the company has done so far. It's created all sorts of problems. For the past three weeks C&W's input has in effect been put on hold

while directors consider whether to issue legal proceedings."

The biggest stumbling block was over RWE's commitment to build a large-scale, DM8bn (£3bn) fixed telephones network. Analysts estimated that if C&W left, Vebacom it would not have to consolidate £50m of losses in its accounts.

A question mark now hangs over Veba's 10.4 per cent stake in C&W, acquired in the original Vebacom deal and worth £1.1bn. There is a suggestion that Veba could sell the shares to Deutsche Telekom, allowing C&W to join Deutsche's "Global One" alliance.

£154m wiped off Dixons in share sale fall-out

Nigel Cole

Shares in Dixons lost more than 7 per cent of their value yesterday as the fall-out from Friday's share sale by Sir Stanley Kalms, chairman, continued and news of fresh "sell" advice emerged from a broker.

The 38p plunge to 479p knocked £154m off the company's value as investors reacted to City talk that Merrill Lynch had changed its recommendation on the stock from "hold"

to "reduce". Merrill Lynch's advice to its clients, which will be distributed in the next two days, follows the decision by Sir Stanley to sell a third of his holding in the company, raising £5.7m. This was just days after he criticised a broker at Greig Middleton for issuing "sell" advice to clients on Dixons shares.

Sir Stanley had originally said that he would complain to the Securities and Futures Authority about the note by Greig Middleton's Tony Cooper. Yesterday the company said it would not be pursuing any action. "As far as Dixons is concerned, this matter is closed," the company said.

Mr Cooper also stood firm: "We stand by our research note. This latest fall in the share price is nothing to do with us. It is Stanley Kalms who has done the damage."

Sir Stanley sold 1.1 million shares in the company late on Friday. No reason was given for the sale though it included op-

tions which had reached their expiry date. "There is always a furore when Sir Stanley sells shares in Dixons," a company spokesman said. "He did it for personal reasons, though I am not aware of the specific circumstances."

One City analyst said: "It does seem irrational to sell shares after attacking someone for advising people to do the same thing."

According to Greig Middleton, Dixons' shares are vulner-

able due to concerns over possible interest rate rises, the implementation of an insurance premium tax and estimates that the retail sector is nearing the peak of its cycle. Mr Cooper said that Dixons would experience a slower rate of sales growth and higher costs, delivering a "series of shocks" to the Dixons share price.

With Dixons shares at their lowest point since last summer the City was divided last night on its prospects. One analyst

said it might face a wave of negative sentiment as a result of the "bad odour" created by Sir Stanley's share sale. Others said the shares looked oversold.

Dixons shares have been one of the best performing larger companies in the last two years rising from 202p in January 1995 to a high of 586p in October. In a circular on 30 January Greig Middleton said that with some institutions taking profits "it will take something special to re-ignite interest."

STOCK MARKETS

FTSE 100

The chart displays the FTSE 100 index over a period from December to January. The y-axis represents the index value, ranging from 3000 to 4500. The x-axis shows the months: December, October, November, December, and January. The index starts around 3800 in early December, rises to approximately 4000 by mid-December, and then continues to climb with some volatility, reaching a peak of about 4275 in early January before settling around 4200.

FTSE 100 Statistics Table

Indices

Index	Close	Week's chg	Change%	1996/97 High	1996/97 Low	Vol(000)
FTSE 100	4275.80	+37.0	+1.4	4275.80	3632.30	3.62
FTSE 250	4595.40	+2.0	+0.1	4616.00	4016.30	3.39
FTSE 350	2115.90	+22.1	+1.1	2115.90	1816.60	3.37
FTSE SmallCap	2305.59	+13.2	+0.6	2305.59	1954.06	2.94
FTSE All-Share	2087.61	+21.0	+1.0	2087.61	1791.92	3.29
New York *	6813.09	+116.6	+1.7	6883.90	5032.94	3.46
Tokyo	18330.01	+840.6	+3.6	22666.80	17303.85	0.90
Hong Kong	13321.79	-57.8	-0.4	13668.24	10204.87	3.17
Frankfurt	3035.15	+36.9	+1.2	3035.15	2253.36	1.55

Statistics as of 3 January

INTEREST RATES

UK interest rates

Bank of England base rate 0-0.5 year gilt (%)

THE YIELDS ARE INverted convention

US interest rates

Bank of England base rate 0-0.5 year treasury (%)

Source: Merrill Lynch

Money Market Rates

Index	1 Month	1 Year
UK	6.13	6.75
US	5.50	6.0
Japan	0.50	0.50
Germany	3.13	3.19

* Bank of England indicator

Bond Yields *

Bondface Denom	% Year Ago	Long Denom	% Year Ago
UK	7.59	7.50	7.73
US	6.42	5.59	6.81
Japan	1.36	2.97	6.10
Germany	2.39	5.98	6.58

MAIN PRICE CHANGES

Rise - Top 3	Fallen Top 3	Wt's Chg % Chg	Falls - Top 3	Fallen Top 3	Wt's Chg % Chg	
Biocompare Int'l 1155	227.6	24.5	Premier Farnell	526.5	164	23.8
Bit Barrow Press 1365	223.5	19.6	Logica	889	118	11.7
Danka Bus Sys 672.5	80	13.5	Nymex Cable	99.5	12	10.8

CURRENCIES

£/\$

Month	Rate
Jan	1.55
Feb	1.55
Mar	1.55
Apr	1.55
May	1.55
Jun	1.55
Jul	1.55
Aug	1.55
Sep	1.55
Oct	1.55
Nov	1.55
Dec	1.80

\$/DM

Month	Rate
Jan	2.0
Feb	2.0
Mar	2.0
Apr	2.0
May	2.0
Jun	2.0
Jul	2.0
Aug	2.0
Sep	2.0
Oct	2.0
Nov	2.0
Dec	2.8

Pound vs.

Class	Week's Chg	Tr Up
£ (London)	1.8025	-2.61c
\$ (New York)	1.8140	-1.45c
DM (London)	2.6244	-2.50p
¥ (London)	194.544	+0.9636
£ Index	94.4	-0.8

Dollar vs.

Class	Week's Chg	Tr Up
£ (London)	0.6240	+2.8p
\$ (New York)	0.6195	+0.55p
DM (London)	1.6377	+1.09p
¥ (London)	121.400	+2.62
£ Index	102.0	+1.0

OTHER INDICATORS

Class	Week's Chg	Tr Up	Index	Index	Week's Chg	Tr Up
Oil Brent \$	23.07	+0.17	16.71	WPI	154.4	+2.50p
Gold \$	344.15	+3.0	415.40	GDP	108.9	+2.30p
					105.7	27 Jan

This notice is issued in compliance with the requirements of the London Stock Exchange and appears as a matter of record only. It does not constitute an offer or an invitation to subscribe for or purchase any securities of Murray VCT 2 PLC.

MURRAY VCT 2 PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 3307069)

Offer for Subscription of up to 35,000,000 Ordinary Shares of 25p each at an issue price of 100p per share payable in full on application

Application has been made for the Ordinary Shares to be admitted to the Official List. It is expected that admission will become effective, and that dealings in the Ordinary Shares on the London Stock Exchange will begin on 8 April 1997.

Prospectuses relating to Murray VCT 2 PLC may be obtained during normal business hours (Saturdays and public holidays excepted) from the date of this notice up to and including 17 February 1997 by collection only from the Company Announcements Office, London Stock Exchange, Old Broad Street, London, EC2N 1HP and until 27 March 1997 from:

Euro-babble can't obscure the budget crunch



COMMENT

'Can you eat fungible bonds? Are they an Italian delicacy and if so do they turn mouldy if not consumed by their maturity date?'

Somehow the scramble to qualify for economic and monetary union would not be complete without an incomprehensible contribution from a bunch of accountants. So here it is, in the words of the Statistical Office of the European Communities in Luxembourg or Eurostat for short.

"Eurostat has decided in the case of fungible bonds (bonds which are issued in tranches at different points in time without change in the date of payment of the coupons) to treat the accrued coupon to be recorded as a short-term liability under the heading 'Accounts receivable and payable' (code F72 of ESA 79), which does not enter into the calculation of the debt based in the definition of Council regulation 3605/93."

What does this mean and, more importantly, can you eat fungible bonds? Are they an Italian delicacy and if so do they turn mouldy if not consumed by their maturity date? None of this need detain us. All we need to know is that the above formula will slice 0.18 per cent off France's fiscal deficit this year and help the Italians plot an even more impressive 0.26 per cent off theirs.

That may not sound very much. Nor, as EMU scans go, is it quite the same league as Italy's special Eurozone or France Telecom pensions wheeze. But every little bit helps when you are used to struggling with a deficit to GDP ratio nearer to double figures and the magic number that gets you into the single currency club is 3 per cent.

That is not all Eurostat has decided

although you would need an advanced diploma in Euro-babble to get the full picture. For those who prefer to stick to the subtleties, the Belgians have been told they can sell off their gold stocks, but only to reduce their public debt, not the deficit. Britain, meanwhile, has been told that it can continue selling off assets to the private sector, leasing them back and counting the payment against its deficit.

Back in the real world, Britain has decided it would rather not join the first wave of EMU even though it may be the only one that qualifies on the basis of its 1997 fiscal deficit. Meanwhile the Germans, who will be there at the start provided their growth forecasts by a mile, courtesy of sharply rising unemployment. Ditto the French.

Eurostat has done it bit to help out. But unless there are further deep budget cuts in continental Europe this year, it will not be enough.

Electra clammers aboard gravy train

A small group of City types is about to make a killing and we are not talking about bond market dealers, corporate financiers or utility fat cats. Step forward senior directors of Electra Investment Trust, who had the good fortune to be invited aboard the gravy train when another of British Rail's

rolling stock businesses was sold off. As executives at Charterhouse, the merchant bank, proved when they bought a stake in the Porterbrook train leasing company, such tiny investments can repay themselves 100 times over.

The £90,000 of equity put up by the highly paid Charterhouse executives produced profits of £12m - and that ignores a further £20m bonus that could emerge from a separate profit-sharing arrangement with their employees.

Electra has more than 20 per cent of the equity in a sister company, Eversholt Leasing, which was bought by its management in a deal backed by another venture capitalist, Candover. According to Electra Investment Trust's annual report, the company has not one but two ways in which Michael Stoddart, its chairman, and senior executives of Electra Fleming, the trust's management arm, benefit from investments made by their funds.

They are entitled to part of the profits of Electra Private Equity Partners, a fund managed by the group which specialises in unquoted companies such as Eversholt.

Under a long-term incentive scheme, they also invest personally alongside the Electra funds. It seems likely that these arrangements include the Eversholt deal. This is all standard practice for the venture capital industry, which vigorously defends it on the grounds that the institutions that put up most of the money for ven-

ture funds prefer to deal with people who also put their own private cash where their mouths are.

Imro, the fund management regulator, approves co-investment, as long as it does not involve conflicts of interest with clients. But there are no hard and fast rules about what is acceptable, and each case is looked at separately.

As so often happens, it is a question of balance and judgement. However, there must come a point at which financing structures based on tiny amounts of sweat equity must be judged to have pushed out the boundaries too far, even for a City that is accustomed to rewards that are disproportionate to the effort.

With Eversholt, we have yet to see the details of the sale. But the boundaries of acceptability have certainly been passed by Porterbrook, where a handful of people, including the company's management, made lottery like profits from pin money investments with negligible downside. Perhaps the equity is called sweet because so much of the profit sticks to the fingers.

Captain Hook walks plank at Ivory & Sime

Things are not what they used to be for the Ivory-supporting and still extremely wealthy Cayzer family. Already facing the near-certainty of a Labour government in a

few months, it has recently been forced to watch as Ivory & Sime, its flagship investment in Scotland, slowly sinks into the waters of the Firth of Forth.

In the last few months, rats have been leaving the Charlotte Square-based fund management group faster than from one of the Cayzers' old Clan Line steamers plying the Cape route. If Deutsche Morgan Grenfell can be given in twain by the departure of just one star fund manager, what price a much smaller group which loses six senior executives, including a main board director, in the space of two months?

Yesterday Caledonia Investments, the Cayzers' main investment vehicle, belatedly moved in to stop the rot. Colin Hook, the ramrod straight ex-Royal Engineers managing director, was asked to fall on his sword, and was immediately replaced by the suitably tartan-sounding Sir David Kinloch.

Mr Hook's military training has not proved a useful management tool. It was made clear from the start that non-commissioned officers were not welcome in the Ivory mess when six fund managers were summarily ejected from the board soon after his arrival. Whether Caledonia has a more sensitive touch remains to be seen. But with fund management currently flavour of the month, even the rusting hulk of Ivory & Sime is likely to be attractive to a predator. Despite protestations that its stake is not for sale, a decent offer might be hard for the Cayzers to resist.

Computer chief warns Europe over technology deficit

Jeremy Warner

Europe is suffering from a serious "technology deficit" which if not urgently addressed will weaken its competitive position and put it at the mercy of fast-growing emerging economies, Andrew Grove, president and chief executive of Intel, the world's largest computer chip company, warned yesterday.

Business and political leaders were urged to take advantage of Europe's substantial investment in communications infrastructure as a competitive tool in the race to globalisation. Failure to do so would encourage the use of PC-based technology as a fundamental part of business and education would leave future generations of Europeans with a "technology deficit".

"There is a growing divergence in terms of competitiveness between Europe and the rest of the world. If young people are entering the workforce without these skills you put

them at a serious disadvantage. A technology deficit is being built up which like a budget deficit is very hard to overcome once established," Dr Grove claimed.

Speaking at the World Economic Forum in Davos, Switzerland, Dr Grove conceded that usage of advanced computer and communications technologies was higher in the UK than on the Continent. However, set against the US it was still low. Many emerging economies were showing growth in PC and Internet use that they could soon overtake Europe.

Dr Grove cited figures showing that PC shipment to Asia, Latin America and eastern Europe were growing at a much higher rate than two EU countries and he predicted that computer consumption in emerging markets would this year overtake that of Europe.

"In modern business speed is the difference between success and failure - speed of decision-making, speed in meeting cus-

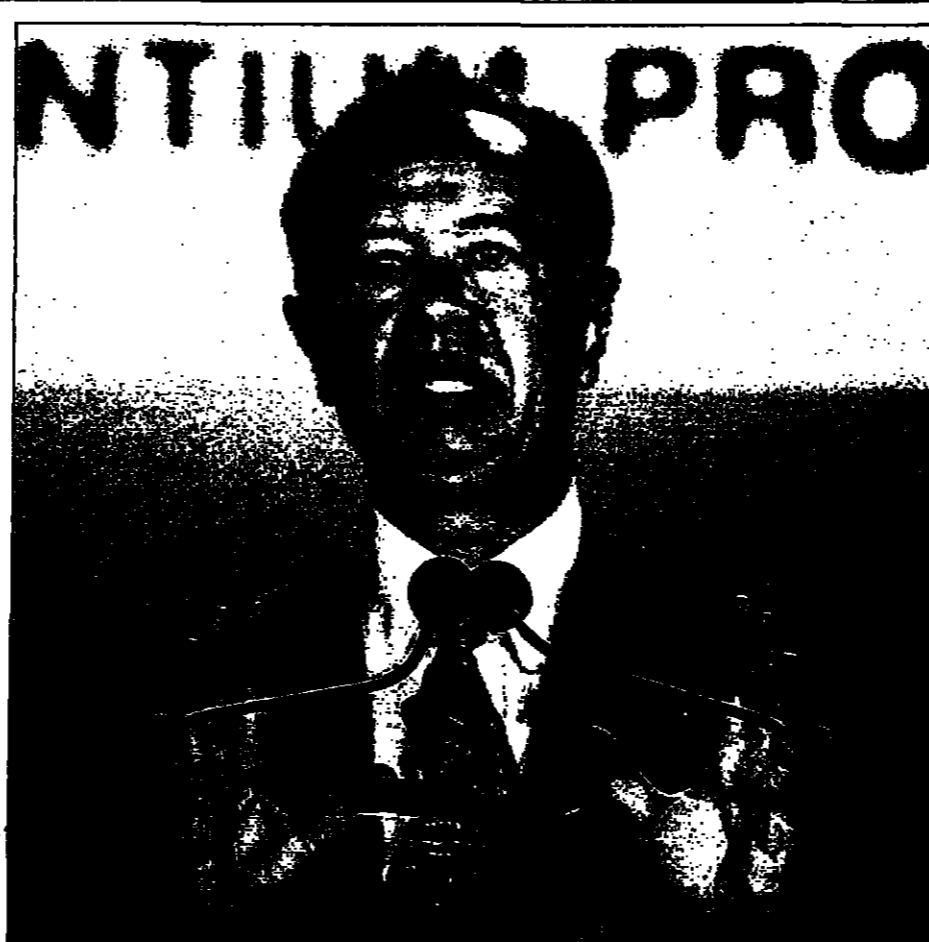
tomers needs and speed in delivering products when and where the market wants them.

"The data shows that Europe, while rich in infrastructure, is poor in terms of technology utilisation. Over the long term Europe is forecast to lag behind emerging markets in deploying and utilising the new technologies," Dr Grove said.

Per capita PC consumption in the US is twice that of Europe and usage of e-mail and the Internet is 10 times higher.

Dr Grove said governments and businesses should be "very concerned" at the findings of a recent survey of IT managers which showed a poor understanding in Europe of the way the Internet was transforming the global economy. Even in Britain only 30 per cent of IT managers were incorporating the Internet into their IT strategies. In Germany it is just 12 per cent while in France the figure is a barely credible 6 per cent.

Bill Gates, head of Microsoft, echoed Dr Grove, saying that in the US it was taken for granted



Urging the laggards: Dr Andrew Grove of Intel warned that unless Europe adopted and encouraged PC-based technology for business future generations would be disadvantaged

that to be effective in business you needed to be at the forefront of technology. That was not yet the case in Europe.

"We are only just at the be-

ginning of what these technologies can do to improve the efficiency of business and the way people work."

He predicted that in three

years every business card would carry an e-mail address and further afield portable computers would be as common as telephones.

KPMG boosts partner's pay to £770,000

Roger Trapp

Colin Sharman, senior partner of the accountancy and management consultancy firm KPMG, saw his pay rise 4.1 per cent to £770,500 in the year to last September, according to figures published yesterday.

The package was made up of "executive remuneration" of just under £469,000, compared with last year's £438,000, for doing the job of senior partner, unchanged pension contributions of £125,000 and a slightly lower "proprietary profit" of £176,572. Though Mr Sharman has this month taken over as chairman of the 77,000-employee, £8.1bn (£5bn)-turnover international firm, he will not be paid extra for that.

One other partner received executive remuneration of between £375,000 and £400,000 and five others received between £300,000 and £350,000. The firm's pre-tax profits rose from £17.9m to £24m and the average pay package for each of the firm's 560-odd partners rose 12 per cent from £184,000 to £206,000. This gain compares with a rise in gross fees of just 6 per cent to £624m.

The firm said its improved profitability had come about through improving the ways in which it did its work and reducing infrastructure costs. In particular, more professional managers had been employed to enable professional staff to concentrate on earning fees. At the same time, the board of the firm, headed by Mr Sharman, had been refocused on setting and overseeing strategy rather than running the 8,500-strong organisation.

Mr Sharman said: "This has been a year of growth combined with considerable investment for the UK firm. We have taken major strides to improve the

quality and scope of skills our people provide and enhance our information technology capabilities."

He said the current year had started well, with earned income about 15 per cent ahead. "We are optimistic for the coming 12 months," he said.

Management consulting suffered a difficult year and, after a poor opening period, was redirected to capitalise on the changing economic environment, Mr Sharman said. But, though corporate recovery had also been strong, other services had seen strong growth.

Corporate finance rose 41 per cent to £29m, tax lifted revenues 9 per cent to £130m and the audit and accounting division, responsible for 38 per cent of fees, rose 5 per cent to £258m.

KPMG, which in 1996 led the way for accountancy firms disclosing financial information, broke new ground by announcing that the results were the first in the sector to be audited, by middle-tier firm Grant Thornton. Though it was prompted to publish figures by its decision to turn its audit arm into a corporate entity in order to give itself greater protection against huge negligence suits, the firm now sees a growing trend towards openness. As a result, it is proposing to the accountancy professional bodies and the Accounting Standards Board the establishment of guidelines for reporting by non-corporate bodies.

The firm, which has picked up such audit clients as retail and pools group Littlewoods and law firm Clifford Chance, is taking part in an international KPMG programme designed to enhance the audit process by adding business risk assessment, performance analysis and other features to the statutory process.



George Soros: Plans for a Congress of Europe

Soros speculates on European politics

Jeremy Warner

He acts like a political leader, he speaks like one, he even looks a bit like one, he certainly pontificates like one, and to witness the way he is courted by journalists, businessmen and some real political leaders, too, anyone would think he was one.

But, in fact, he's just another multi-billionaire who has decided quite late in life that money isn't everything, that a

voice on the international stage is what it is all about.

This is George Soros and he's been in his element over the last few days at the World Economic Forum in Davos, Switzerland.

Davos is more a conference about ideas than action and as such is a perfect venue for Mr Soros and his proposed cures for the world's many problems.

His latest obsession is European Monetary Union. He hosted a packed press conference on

it yesterday: the way his pearls of wisdom whizzed around the world's news wires in its aftermath anyone would think it was Helmut Kohl or Jacques Chirac who had just spoken.

So this is what he thinks. Yes, monetary union will happen, and it will happen on time because the political will is there. "The train has left the station and, unless it is derailed, it will arrive at its destination," he said. As for Britain, it would be

very dangerous to stay out on a long-term basis because it would jeopardise inward investment. To go into the euro immediately might also be dangerous because Britain's economy is structurally so different from its partners.

Mr Soros regarded the euro as a flawed construction which will need further steps to make it work. "You cannot have a common currency without a common fiscal policy and this issue will

have to be addressed sooner or later," Mr Soros insisted. Interestingly, he doesn't hold to the fashionable view that there would be a collapse in the Italian and Spanish bond markets if they were excluded in 1999.

Mr Soros has begun canvassing business and political leaders to support the idea of a "Congress of Europe" to address the issue of political reform within the European Union.

Texas dispute solved for £9.3m

Nigel Cope

Ladbroke finally settled its two-year dispute with Sainsbury's over the sale of Texas Homecare yesterday. News of the settlement accompanied an announcement by Ladbroke, the leisure group, of a £31.3m acquisition of AR Dennis, a chain of 114 betting shops.

The settlement of the Texas Homecare dispute comes nine months after the matter was placed in the hands of an independent arbitrator. Ladbroke must now re-pay £9.3m of the original £290m Sainsbury's agreed to pay for the DIY chain. The figure is a blow for Sainsbury's which had hoped to recoup £30m-£40m. The two sides had been £70m apart on their valuations. "It's a paltry sum. Sainsbury's must be very disappointed," one analyst said.

The Texas deal has clearly cost Sainsbury's far more than it expected. In addition to the dispute over its value, Sainsbury's announced a £50m provision to cover the additional costs of converting the Texas stores to the Sainsbury Homebase format last month as part of its profits warning announcement.

To cover the costs, Ladbroke will include an exceptional charge of £15.4m in its accounts for the year to December 1996. This covers interest due on the settlement as well as other costs relating to the dispute.

Separately, Ladbroke is paying £31.3m cash for AR Dennis, a north London-based bookmakers which has 114 outlets. The deal gives Ladbroke 1,925 betting shops and confirms its position as Britain's leading bookmaker ahead of William Hill and Coral.

AR Dennis was founded in Stoke Newington in 1935 by Alfred "Dick" Dennis. It is now run by his son Gordon who, at 61, says he would like to retire. He said the jackpot win of £31.5m would not turn the family's heads or send him out buying a string of racehorses. "We are an ordinary family who lead ordinary lives."

Christopher Bell, managing director of Ladbroke Racing, said: "It is not often that a chain of betting shops of the size and quality of AR Dennis comes up for sale and we are delighted that we have been able to make this acquisition."

Investment column, page 18

Apple set for radical shake-up

David Usborne

Apple Computer was believed yesterday to be poised to announce a radical restructuring plan to cut expenses by shedding product lines and laying off up to one-fifth of its payroll.

Faced with a continuing slide in sales and revenue, Apple was expected to detail the new measures ahead of its annual shareholders' meeting in Cupertino, California, tomorrow. Among products that could be ditched by Apple is its loss-making Newton hand-held computer.

That Apple is being forced to take such steps is an indication of the problems still confronting the company and Gilbert Amelio, its chief executive. Given the task of rescuing Apple a year ago, Mr Amelio is behind on his promised schedule to return the company to profitability.

Apple recently reported a loss of £120m (£74m) for the first quarter ending 27 December, which was considerably deeper than had been predicted on Wall Street. The company has said that revenues for the year ending 27 September will be 20 per cent down on the previous year.

IN BRIEF

• Leaders of nearly 1 million employees in the finance industry are calling for end to a system in which company directors allegedly profit from the number of staff they make redundant. An alliance made up of 25 unions and staff organisations in banking, insurance and building societies, wants to break the link between share price and boardroom pay. The Alliance for Finance points out that the announcement of job losses invariably results in a rise in share price. A paper produced for an alliance conference on 13 February says there is a "direct financial incentive for executives to reduce their workforce".

• Professor Stephen Littlechild, the electricity regulator, suffered a rare court defeat after the Court of Appeal ruled unanimously that a price formula for Scottish Hydro-Electric, set after a Monopolies and Mergers Commission investigation, should also apply to ScottishPower. The judgment overturned the previous High Court decision late last year. It means bills for ScottishPower customers will fall more gradually in the year starting in April, boosting the group's profits by about £15m, but adding some £5 to average bills.

• US manufacturing slowed down in January, according to the National Association of Purchasing Managers. Although still above 50, the dividing line between growth and recession, the index dropped to 52.0 in January. But the prices component rose, and at 51.4 indicated that more companies were raising than cutting prices. Analysts concluded that the survey helped tip the balance in favour of the Federal Reserve leaving interest rates unchanged after its Open Market Committee meeting today and tomorrow.

• The South-east headed the regional league table in 1995 with 36 per cent of the nation's output and 31 per cent of the population, according to the Office for National Statistics. National GDP amounted to £94bn, or £10,137 for each individual on average. Greater London had the highest GDP per head at £12,500. Outside the South-east, East Anglia was the only region to exceed the £10,000 mark, with £10,226. By contrast, the per capita level for Wales was £8,440 and for Northern Ireland it was £8,410.

• Saga, the holidays and financial services group for the over 50s, said it was "actively considering" selling electricity to its 4 million customers. The news came as Saga signed a deal with Northern Electric to sell gas in trials of domestic competition starting in the South of England from next week.

This advertisement is issued in compliance with the requirements of the London Stock Exchange Limited (the 'London Stock Exchange'). It does not constitute an offer or form part of any offer or invitation to any person to subscribe for or purchase any securities in Close Brothers Venture Capital Trust PLC (the 'Company'). Application has been made to The London Stock Exchange for the 'C' Shares, to be issued pursuant to the Offers, to be admitted to the Official List. It is expected that such admission will become effective and that dealings will commence by no later than 4 April 1997 in respect of applications for the 1996/97 tax year and by 9 April 1997 in respect of applications for the 1997/98 tax year.

Close Brothers Venture Capital Trust PLC

(Incorporated and Registered in England and Wales No. 3142609)

Offers for Subscription

of up to 25,000,000 'C' Shares
of 50 pence each at 100 pence per Share in respect of the 1996/97 tax year
and
of up to 15,000,000 'C' Shares
of 50 pence each at 100 pence per Share in respect of the 1997/98 tax year
payable in full on application

Subject to an overall maximum subscription in respect of both Offers of 25,000,000 'C' Shares

Sponsored by

Brewin Dolphin Bell Lawrie Limited

Share Capital immediately following the Offers, assuming that the overall maximum subscription is achieved:

Authorised			Issued and to be issued fully paid	
No. of Shares	Nominal Value		No. of Shares	Nominal Value
34,000,000	£17,000,000	Ordinary Shares	24,179,805	£12,089,902
34,000,000	£17,000,000	'C' Shares	25,000,000	£12,500,000

The subscription list for the 'C' Shares, all of which are being offered to the public under the Offers, will open at 10.00 am on 6 February 1997 and may be closed at any time thereafter but in any event not later than 10.00 am on 3 April 1997 unless extended prior to that date.

A Prospectus (including an Application Form) in relation to the Company has been published and copies will be available for collection during normal business hours for a period of two business days from the date hereof from the Company Announcements Office, The London Stock Exchange, The London Stock Exchange Tower, Capel Court entrance, off Bankholme Lane, London EC2N 1HR and on any weekday (Saturdays excepted) from the date hereof up to and including 18 February 1997 from:

Bell Lawrie White & Co (a division of Brewin Dolphin Bell Lawrie Limited)
48 St Vincent Street
Glasgow G2 5TS

Close Brothers Investment Limited
12 Appold Street
London EC2A 2AA

4 February 1997

Acquisitive Ladbroke back in the frame as a good bet

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Ladbroke: at a glance

Market value: £2.73bn, share price 232.5p

	92	94	94	95	96	Consensus forecast
Five-year record						
Turnover (£bn)	4.17	4.27	4.41	3.85	-	-
Pre-tax profits (£m)	5.20	51.4	230	95.4	163	-
Earnings per share (pence)	3.11	1.36	26.5	5.14	10.1	-
Dividends per share (pence)	11.2	6.0	6.0	6.0	6.0	-

Share price pence	92	93	94	95	96	97
280						
240						
220						
200						
180						
160						
140						
120						

It's been a busy, and on all fronts satisfactory, year so far for Ladbroke. After years of volatile financial performance, an ignominious and now almost completed retreat from property, and an indifferent long-term performance for the shares, it looks as if the betting to hotels group's share price is set to break out into new territory after its recent strong run.

Yesterday's brace of announcements saw the gaming division snap up AR Dennis, the 114-strong London betting shop chain, for £31.3m and finally settle a dispute with Sainsbury over the price at which Ladbroke sold the Texas Homecare chain to the supermarket group.

The betting shops deal takes Ladbroke to a total of 1,925 outlets, comfortably ahead of its biggest rival, William Hill, provides plenty of scope to improve Dennis's below-average margins and should be earnings-enhancing from the word go.

Importantly it strengthens the betting arm into an upswing in the operation's fortunes just as the industry is getting to grips with the problems, mainly caused by the introduction of the lottery, of 1995.

Bookies have cut their cost bases and introduced a new range of products, from betting on the Irish lottery to gambling on sports other

than horse racing, that make them much more viable, even in the face of the new midweek lottery which is due to be launched tomorrow. Dennis is a good fit for Ladbroke with only three shops having to be sold to satisfy the OFT.

Elsewhere, the arbitrator's decision that Ladbroke should only hand back to Sainsbury £9.3m of the £290m it was paid for Texas in 1995 was a better result than anyone at Ladbroke could have hoped for

and a great deal worse than the figure the supermarket had unwisely tipped analysts. That was the most important factor in yesterday's 4p share price rise to 233p.

Possibly of more investment importance in the short run, however, will be the credence given to weekend stories that ITT might be considering a bid for Ladbroke as part of its defence against the recent hostile tilt from Hilton Hotels Corporation, with which Ladbroke recently

struck a historic alliance. Analysts are sceptical about such a bid emerging but point out that, in what is expected to be a feisty defence, anything from ITT is possible.

What that doesn't achieve short term, forecasts of profits of £170m for the year to December 1996 and £215m this time should do in the longer run.

Achieving those numbers would put the shares on a prospective price/earnings ratio of 17, not too demanding compared with a growth rate in the mid-20 per cent range.

Deregulation is boosting the betting side, hotels are still enjoying a strong cyclical upswing and the shares remain good value.

November 1994. But executive chairman Hamish Bryce would probably rather the price strength had not been inspired by the news that Wassall, the acquisitive conglomerate led by émigrés from the Hanson empire, had picked up a 4.1 per cent stake.

The official line from Wassall is that this is just a normal investment which the group takes from time to time in the UK. The group has up to £80m to spare at any one time and putting it in the stock market is an alternative to parking it in the overnight money market.

Certainly, the investment is already showing a tidy profit. Having been picked up at 105p a share on Friday, the original £7.50m stake has put on £1m in the space of a week-end. Meanwhile Wassall's own market value went up £14.6m yesterday as its shares added 7.5p to 326p.

Wassall alights on TLG

TLG's shares have been out of favour since a profit warning last September, so yesterday's 13.5p jump to 118.5p should have been met with euphoria by the lighting manufacturer. After all, it is the first time for three months that the shares have been above the 115p at which they were launched in

would give some balance. Buying TLG now would allow Wassall to capture the gain from any upswing in the lighting group's currently depressed European markets.

In the meantime, assuming profits of around £22m this year, TLG's shares on a forward p/e of 15 look well worth holding, with the Wassall stake giving some protection from the downside.

Media tiddler strides ahead

The Media Business Group, the smallest of three specialist media buyers listed on the stock market, was floated as a penny stock in August 1995, priced at 3p. After announcing record figures yesterday it reached the dizzy heights of 8p before settling back to 7.5p, up a penny on the day.

Profits rose 42 per cent to £585,000 in the six months to the end of October, including a juicy £224,000 worth of interest earned on its prodigious cash flow. That increase was struck from a 29 per cent rise in sales over the same period in 1995 to £63m. Earnings per share

rose 33 per cent to 0.36p and the interim dividend has been raised by 17 per cent to 0.035p.

TMBG's recent client "wins" include Appleby Group, RAC, Midland Mainline, Railways, BEEA, Eastern National Gas and, since the start of the year, Mothercare and Saga's European operations. Channel 5 and digital television offer new territory to exploit, although the growth of satellite and cable television advertising will initially be at the expense of terrestrial television, rather than other media.

TMBG opened a Manchester office last September and, with a still in hand, chairman and chief executive Alan Rich is already talking to potential takeover targets to add research, telemarketing and market database services to his portfolio. Stockbrokers Williams de Broe have just been appointed in order to try to interest more institutional shareholders.

They were already forecasting £1.71m for the year to April and earnings per share of 0.47p, figures they plan to revise upwards. Rowan Dartington, however, has more modest earnings expectations of only about 0.38p. At between 15 and 18 times prospective earnings the tightly held shares look high enough

Airport shopping boosts BAA profits

Chris Goddard
Business Correspondent

The boom in airport shopping helped boost pre-tax profits at BAA, the privatised group which runs Heathrow, Gatwick and Stansted, by 6 per cent to £397m in the nine months to the end of December.

The figures confirm the increasing importance of retailing to BAA. Cash earned from shopping concessions in airport terminals surged by 10.9 per cent over the past nine months to £331m. Income from property also increased substantially, jumping 8.4 per cent to £168m.

Last summer Sir John Egan, BAA's chief executive, said the proportion of revenues accounted for by retailing had grown to 44.4 per cent, suggesting shopping could soon overtake the core airports business as the main cash generator. Yesterday's results emphasised this trend, with retailing accounting for more than 46 per cent of revenues.

In contrast, the group said revenues from its regulated airport and traffic charges had climbed by a more modest 5.5 per cent to £385m. BAA's airports, which also include Glasgow, handled 76.6 million passengers in the nine months to 31 December, a rise of 4.4 per cent.

Total revenues increased by 7.8 per cent to £1.064bn, while operating profits rose by 9 per cent to £425m. BAA shares fell 6.5p to 525.5p.

Separately, it emerged yesterday that BAA had reduced its stake in a consortium set up to bid for a role in the privatisation of Australia's airports. The group had originally had a 49 per cent share in the venture, Australia Pacific Airports Corporation (Apac).

This will now drop to 29 per

cent in the hope that a more "Australian" feel to the group will have a better chance of winning the bidding. So far Apac has put in bids to run airports in Melbourne, Brisbane and Perth.

"We have been persuaded that our consortium is more likely to succeed with a higher level of Australian equity. However, the bid remains in all respects consistent with our international strategy, providing both the rate of return we seek and the opportunity to expand our experience of overseas airports," a BAA spokesman



Sir John Egan: Retailing of increasing importance

said yesterday. However, BAA was still on its biggest current concern whether it will fall within remit of Labour's planned windfall tax on the privatised utilities.

In recent weeks BAA stepped up its lobbying clearer signals emerged from Labour that it would include tax in its first budget. It is a source has suggested that the bill would include a "privatised utilities" category, no longer be included in category.

Gulf set to lift offer for Clyde

Tom Stevenson
City Editor

Gulf Canada is expected to come back with a bid worth about 120p for Clyde Petroleum today, the last time at which it can increase its existing 105p offer, which put a £432m price tag on the British company. Clyde's shares closed 2p higher at 117.5p last night as the market anticipated a modestly improved offer.

Gulf was in last-minute discussions with Deutsche Morgan Grenfell, its adviser, yesterday at which chief executive, JP Bryan, is understood to have argued against the sort of increase that might be required to gain the support of some of Clyde's largest shareholders. Some major investors have indicated privately that they would be unhappy to take less than 135p a share for the oil explorer.

The gap between the institutions' expectations and the likely reality of Gulf's final of-

fer sets the scene for two of heavy investor arm-twisting and opens the door for a possible knockout blow by white knight. It is expected to be a tense conclusion to has been an acrimonious

Tomorrow will also see launch a final attack on valuation methodology, main plank of its defence been an attempt to persuade shareholders that a "golden rule" value using its pre-cash flow valuation would put a price tag of company of up to 135p.

Gulf has consistently insisted that its own 105p offer is a full and generous one.

During the bid both sides engaged independent oil industry consultants to add credibility to their claims, which increasingly focused on technical company valuation.

Those arguments are thought to have split Clyde's main holders.



We'll go on listening even when you can't go on talking.

Every year at The Samaritans we receive over a million totally silent phone calls. For whatever reason, the callers can't begin to tell us what's troubling them.

Equally, callers who do start may be unable to go on - many hang up halfway through a conversation, or simply go quiet.

With all of these callers, though, we have one golden rule: we never stop listening. We won't be the ones to hang up or say goodbye.

Our number's in the phone book, or you can call our new national number on 0345 90 90 90. Every call is confidential.

Even if you can't talk we'll listen.

The Samaritans. We'll go through it with you.

A Registered Charity funded by voluntary donations.

<http://www.compulink.co.uk/~careware/samaritans/>

سكرا من الامم

Data Bank	
FTSE 100	2578.18
FTSE 250	2574.9
FTSE 350	2405.5
SEAO VOLUME	223m shares
50,187 bargains	
Gifts Index	95.05 + 0.44
Share spotlight	
1000	
800	
600	
400	
200	
0	

Digital side appears to be winning the TV revolution

Taking Stock

MARKET REPORT

DEREK PAIN

stock market reporter of the year

The television spectacular again dominated the stock market with the digital participants getting the star treatment and the supporting players the brush off.

Worries the picture for the provincial TV companies has suddenly turned dim and blurred sent their shares tumbling. Scottish TV fell 81.5p to 346p and Yorkshire-Tyne Tees 80p to 1,102.5p. HTV was off 30p to 327.5p and Ulster 14p to 161p.

Cable shares, also seen as obvious casualties of the digital alliance, confirmed their retreat. General Cable, Nymex and Idelwest Communications all weakened.

The market believes the independent TV groups, which have romped ahead on expectations of a round of takeovers following the industry free-fall, may well be marginalised and in any event have lost much of their bid appeal.

Carlton Communications led the digital charges with a 16.5p gain to 575p. Granada was not far behind, up 20p to 917p, and BSkyB, interim figures tomorrow, 10p to 609p. Flextech gained 16p to 715p.

The TV revolution sent ripples of unease through the rest of the media sector. Mirror Group, with nearly 20 per cent of Scottish, lost 4.5p to 205p, and United News & Media, owning 29.9 per cent of HTV, fell 31.5p to 671p. Pearson gave up 22p to 737.5p.

Scottish and Yorkshire have been at the forefront of the bid speculation. Granada has made no secret of its liking for Yorkshire and its chairman, Gerry Robinson, has described an eventual bid as "inevitable".

Granada has around 27 per cent of Yorkshire with United embracing 14.5 per cent.

Ditons, the retailer which should have enjoyed the TV excitement, was uncomfortably



subdued, crashing 38p to 479p. A negative recommendation is due this week from Merrill Lynch. Chairman Sir Stanley Kalms' sale of 1 million shares and his angry reaction to Greig Middleton's sell advice contributed to the damage.

Pilkington was another to crack, off 3.5p to 145p, just above its 12-month low. SBC Warburg cut its profit estimates by £10m to £175m and said sell down to 125p. A warning about European glass prices from St Gobain of France prompted the cut.

Tombies, the buns to guns conglomerate, gained 5p to 285p ahead of an analysts' visit to its US operations and Lad-

broke gained 3.5p to 232.5p following its Texas Homecare settlement and hopes of a US bid.

The market had a lacklustre session with New York weakness lowering Friday's steady temperature. Footsie ended 18 points off at 4,257.8 and the supporting FTSE 250 index lost 20.5p to 4,574.9.

Drug shares tended to give ground although investors are pinning their hopes on an analysts' meeting called by Roche. There are indications the Swiss giant is raising cash and some expect it to reveal plans to de-motivate its share structure - a move which could herald the long-awaited takeover strike.

Cortec International put on 9p to 215.5p. Nomura forecasts a swing into profits in 1999 and says the shares are worth 420p.

Share build-ups produced the predictable response. Was-sall, the conglomerate, has acquired 4.1 per cent of TLG, the lighting business split from what was then Thorn EMI; it was enough to send the shares 13.5p higher to 118.5p although Wasall, up 7.5p to 326p, played down any predatory intent.

Trace Computers gained 10p to 57.5p as MMT Computing disclosed a 3.27 per cent interest. Applied Distribution reported a takeover approach below 62p and its shares fell 12p to 30p.

The day's profit warning came from Circle Commercial, a film group, which slumped 62.5p to 124p.

Biocompatibles International's merry romp continued, up 75p to 1,230p.

Football companies, in particular Chelsea Village, are tapping the market for cash. Chelsea raised £1.5m through a placing at 140p and Caspian (Leeds Utd) pulled in £5.7m with a share sale at 42p. Chelsea rose 8.5p to 162.5p and Caspian fell 1p to 43p.

Marshall's, the building materials group, was little changed at 130.5p as stockbroker Granville Davies forecast year's profits of £18m (down from £25.8m) but said the shares should be held.

Interare, the health group, added 3.5p to 78p as John Siddall said buy, forecasting profits would advance from £2.2m to £2.5m this year.

Ensochem, the industrial controls group, fell 25p to 472.5p, a 12-month low, as worries a profit warning is set to emerge continued to circulate. The group was the subject of an unseemly boardroom brawl last year.

Jeldridge Pope, the family-controlled brewery, has still to win stock market recognition as a pub retailer. Pan-mare Gordon says "EP has won its spurs as a retailer and this is where its future lies." The stockbroker forecasts profits of £5.25m this year and £6.1m next. The shares are 290p.

Prelude is a rare stock market creature - an investment trust which has won a rapturous welcome. The shares were placed at 100p last week - they rose 18p to 123.5p; the warrants, one given away with each five shares, gained 10.5p to 44p. The trust specialises in hi-tech and bio-tech shares.

Shares of Cash Converters International, a second-hand goods group, will be listed in its native Australia tomorrow which could help sentiment. The London price is 23.5p.

Company	Price	Change
Alcoholic Beverages		
Heavenly Bodies	10.00	+0.10
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Company	Price	Change
Banking		
Bank of Scotland	10.00	+0.10
Bank of Ireland	10.00	+0.10
Bank of Wales	10.00	+0.10
Bank of Cyprus	10.00	+0.10
Bank of Greece	10.00	+0.10
Bank of Spain	10.00	+0.10
Bank of Portugal	10.00	+0.10
Bank of France	10.00	+0.10
Bank of Italy	10.00	+0.10
Bank of Germany	10.00	+0.10
Bank of Netherlands	10.00	+0.10
Bank of Belgium	10.00	+0.10
Bank of Luxembourg	10.00	+0.10
Bank of Austria	10.00	+0.10
Bank of Switzerland	10.00	+0.10
Bank of Denmark	10.00	+0.10
Bank of Sweden	10.00	+0.10
Bank of Norway	10.00	+0.10
Bank of Finland	10.00	+0.10
Bank of Iceland	10.00	+0.10

Pharmaceuticals	Retailers, General
1. 100	

business

Ten events that may shake the world by the turn of the century

"What," asked my friend, a thoughtful banker over from New York, "are the discontinuities - the really big surprises that we might face over the next three to five years?"

It is an interesting question and one far too seldom asked by people involved in the financial markets, and it seemed to me to deserve a better answer than the one I was able to manage over dinner on Saturday evening. Financial markets always focus on the short term, despite the fact that anyone buying a long-term government bond is making an implicit assumption about inflation, interest rates and currency movements a generation hence.

So here are some suggestions of possible shocks to the world economic system, or if not shocks, things which might make the first decade of the next century very different from the last decade of this one.

One - a switch in the pattern of strong and weak currencies. For the last 30 years there has been general pattern of currencies where the dollar, sterling and the lira tend to fall while the yen, the mark and the yen rise. People look now at the recovery of the dollar and pound and see this as a temporary upward blip on a downward general path. But that may be wrong. Both the Japanese and German economies, for all their virtues, appear relatively less strong than they did a generation ago, while the US appears stronger. Within Europe, both the UK and Italy have improved their relative performance, as the graph on productivity changes since 1979 would seem to show. So it is at least possible that the changes in the dollar and sterling are long term rather than short. Meanwhile, the difficulties of the yen may persist for some time, while the mark may even disappear if European Monetary Union (EMU) happens.

Two - a collapse of US share prices, dragging other equity



Hamish McRae
Russia and Eastern Europe may become the most vibrant part of the European economy. Already Poland and Hungary are growing rapidly

markets down with it. Not much can be added to the wealth of literature on this subject, except perhaps to say (a) that not enough work is being done of a "what if?" variety to see the sensitivity of the US economy to, say, a 30 per cent fall in share prices; and (b) that the sort of arguments being used to justify present prices will be familiar to anyone who visited Japan in the late 1980s, when share prices there were shooting up.

Three - serious social tension in continental Europe. So far most of the Continent has managed to contain social pressures, but continued slow growth and rising unemployment would put very great strains on the consensus. A discontinuity could take several forms - worse riots in France, the return of a right-wing nationalist government in Germany, maybe just more strikes across the Continent - but the end result would be pressure not just on things like the plan for EMU but on the whole concept of the European Union.

Four - might the EU itself either break up or be transformed into something more akin to a free-trade association? My own view is that this is not a possibility, if it takes place, is 15 or 20 years away rather than on the three-to-five year timescale. But even if one puts EU break-up as a low possibility, it ought to be on the map.

four above. Already Poland, Hungary and the Czech Republic are growing rapidly by Western European standards and once take-off is established in Russia the economic balance of Europe will shift east in a dramatic way.

Six - a corresponding change in the balance of economic power in the third zone. Power will shift from early leaders, in particular Japan but also South Korea, Hong Kong and Taiwan. It will move to mainland China, Indonesia and India. It has long been apparent that the big population countries will tend to gain power vis-à-vis the smaller ones. Maybe in the next five years the pace of change will suddenly accelerate.

Seven - leading on from that, really serious disruption in Japan. The most likely outcome for Japan may well be a long, slow pull out of recession, with stagnant living standards as the society ages, but it is very easy to outline a worse outcome, where economic depression was accompanied by political upheaval.

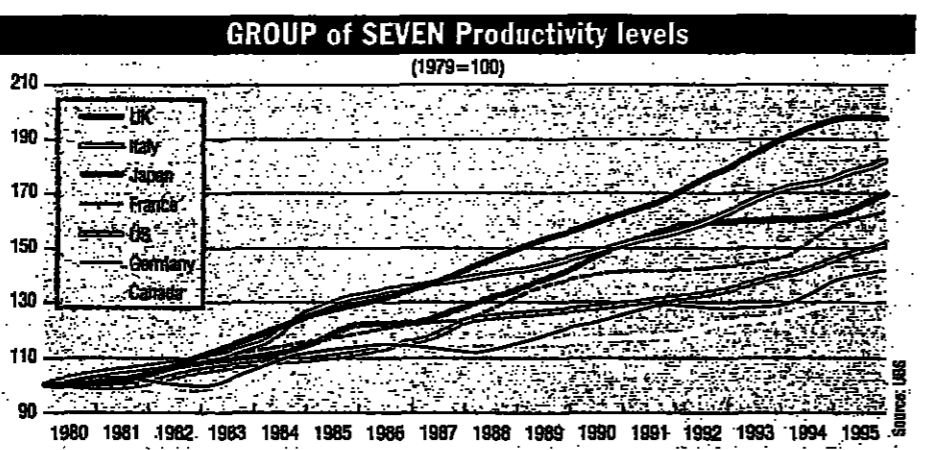
Eight - the next commodity price shock. Three years - no, three months - before the first oil shock in 1973 it would have been hardly conceivable that the oil price could quadruple in a few weeks. A sharp rise in commodity prices looks similarly unlikely at the moment, but it would not be difficult to

sketch the main scenario which would push oil prices sharply up: conflict in the Middle East. And other scenarios could push up the price of other basic products including food.

Nine - a technical advance which will transform competitive advantage. The obvious candidate is the transformation of telecommunications: the sudden plunge in costs that is taking place right now, and the equally sudden surge in the capability of the networked computer. We still think in terms of country competitiveness, and all the notes above are framed in that language. But maybe the language is wrong, as individuals who earn their living with a computer can base themselves anywhere in the world and sell their output instantly anywhere in the world too. Maybe this technical revolution will transform corporations in a way which we still cannot see, but which will become evident over the next five years.

And 10? That must surely be the "R" word, Recession. It is almost impossible for anyone to see recession coming. You could scan everything that has been written in the press, or spoken by business and political leaders, in the run-up to previous recessions and see no warnings at all that they were aware of what was about to hit them. At the moment there is widespread talk, at least in the US, that the business cycle no longer exists. But at some stage in the future there will be another global recession. It may be several years off; it may be a mild recession; it may not be synchronised, so some countries may be going down while others are still rising. But it is going to happen. Question: will it happen in our time-frame above, the next three-to-five years?

Well, there are 10 ideas of possible shocks. Most will not happen. But there is a powerful can for carrying out the "what if?" exercise, if only because a shock which has been at least partly foreseen is a less dramatic shock when it strikes.



A labrador is retired man's best friend

PEOPLE & BUSINESS



Albert Scardino: Found Nottingham quite hood free

David Redding, chief press spokesman at Ofstel since 1984, retired from the telecoms regulator on Friday, and by all accounts his leaving bash was quite an occasion.

Guests included Bryan Carsberg, former Ofstel head, as well as the present incumbent, Don Cruickshank.

Notably absent, however, was Mr Redding's leaving present. He had requested a golden labrador, no doubt fearing retirement would weigh heavily on his mind. A pooch would get him out of the house at the very least.

The good news is that Ofstel is determined to buy such a dog for him, but hasn't quite got round to it yet. Mr Redding is on a three-week holiday, giving Ofstel time to do so. So if you spot Mr Cruickshank hanging around Battersea Dogs' Home, you'll know why.

Albert Scardino, husband of Marjorie Scardino, Pearson's recently installed chief executive, had a worrying trip to Nottingham last week. The American-born Mr Scardino is leading one of the groups bidding for Nottingham Forest. He was notified to discover, then, as he was driving back from a trip to Nottingham, that he had left his laptop computer and a pile of confidential documents on the pavement where he had parked his car.

When he got back to London he rang the police, who scooted around to the spot he described - to find the laptop, documents and all, just where he had left them on the pavement. These were returned to a mighty relieved Mr Scardino. But what does it say about the citizens of Nottingham? Scrupulously honest - or short of sight?

Eddie George, Governor of the Bank of England, is taking on the Office of National Statistics in a bare-knuckle fight for market share in the publishing business.

For years the ONS has published a monthly digest

Morgan in 1978 and spent six years in their oil and gas corporate finance team in London and New York. He moved to Morgan Stanley in 1984, where he rose to become head of European equities.

David Perry, the man who successfully defended Waddington against two hostile bids from Robert Maxwell, is retiring as chairman after nearly 20 years with the packaging and printing company. Mr Perry, 59, is being succeeded by Michael Orr, chairman of Molins, the Milton Keynes-based engineering group. Mr Orr is also a non-executive director of Granada, Lazard, and WH Smith.

Mr Perry joined as managing director of Waddington in 1978, when it still owned the Monopoly board game and manufactured playing cards.

Nowadays the company has given up cards in favour of producing mailshots for the building societies which are converting to bank status, as well as American fast food containers.

Mr Perry retains his links with the world of cards as he is still a member of the Worshipful Company of Masters of Playing Cards.

Before joining Waddington Mr Perry worked for Mr Maxwell at British Printing. Nevertheless, he managed to repel a long, drawn-out bid battle with Mr Maxwell for Waddington in 1983, and a renewed attack one year later.

In 1988 Mr Perry became chief executive, and three years ago the company sold the rights to Monopoly. Chairman for just over two years, Mr Perry in his youth won 15 caps playing rugby for England.

Sadly he was unavailable for comment yesterday on England's demolition of Scotland on Saturday, since he is on a skiing holiday.

John Willcock

Foreign Exchange Rates			
Sterling			
Country	Spot	1 month	3 months
US	1619	10.8	30.27
Canada	2357	54.48	154.36
Germany	2648	89.81	203.83
France	2357	54.48	154.36
Italy	2648	89.81	203.83
Japan	1619	10.8	30.27
EU	1619	10.8	30.27
Belgium	2648	89.81	203.83
Denmark	1003	22.22	65.56
Netherlands	2357	54.48	154.36
Ireland	1013	5.1	15.90
Norway	2357	54.48	154.36
Sweden	1731	20.00	59.50
Switzerland	2292	85.76	239.25
Australia	2357	54.48	154.36
Hong Kong	1249	92.52	240.83
Malaysia	4001	0.0	0.0
New Zealand	2357	54.48	154.36
Saudi Arabia	50433	0.0	0.0
Singapore	22704	0.0	0.0

Interest Rates			
UK			
Country	Spot	1 month	3 months
US	6.00%	5.00%	4.50%
Canada	7.50%	6.50%	6.00%
Germany	5.50%	4.50%	4.00%
France	5.50%	4.50%	4.00%
Italy	7.50%	6.50%	6.00%
Japan	5.50%	4.50%	4.00%
EU	5.50%	4.50%	4.00%
Belgium	5.50%	4.50%	4.00%
Denmark	5.50%	4.50%	4.00%
Netherlands	5.50%	4.50%	4.00%
Ireland	5.50%	4.50%	4.00%
Norway	5.50%	4.50%	4.00%
Sweden	5.50%	4.50%	4.00%
Switzerland	5.50%	4.50%	4.00%
Australia	5.50%	4.50%	4.00%
Hong Kong	5.50%	4.50%	4.00%
Malaysia	5.50%	4.50%	4.00%
New Zealand	5.50%	4.50%	4.00%
Saudi Arabia	5.50%	4.50%	4.00%
Singapore	5.50%	4.50%	4.00%

Life Financial Futures			
Contract	Settlement	High/Low	Open
Long Jan 97	11.25	11.25	11.25
Short Jan 97	11.25	11.25	11.25
Long Feb 97	11.25	11.25	11.25
Short Feb 97	11.25	11.25	11.25
Long Mar 97	11.25	11.25	11.25
Short Mar 97	11.25	11.25	11.25
Long Apr 97	11.25	11.25	11.25
Short Apr 97	11.25	11.25	11.25
Long May 97	11.25	11.25	11.25
Short May 97	11.25	11.25	11.25
Long Jun 97	11.25	11.25	11.25
Short Jun 97	11.25	11.25	11.25
Long Jul 97	11.25	11.25	11.25
Short Jul 97	11.25	11.25	11.25
Long Aug 97	11.25	11.25	11.25
Short Aug 97	11.25	11.25	11.25
Long Sep 97	11.25	11.25	11.25
Short Sep 97	11.25	11.25	11.25
Long Oct 97	11.25	11.25	11.25
Short Oct 97	11.25	11.25	11.25
Long Nov 97	11.25	11.25	11.25
Short Nov 97	11.25	11.25	11.25
Long Dec 97	11.25	11.25	11.25
Short Dec 97	11.25	11.25	11.25

Industrial Metals			
Commodity	Price	Change	Volume
Aluminum	1910-11	534-35	58888
Aluminum Alloy	516-20	538-40	6788
Copper	2985-47	728-42	97760
Lead	694-5	675-8	5765
Nickel	676-25	770-20	1920
Steel	6800-5	5885-70	3714
Zinc	1633-543	1173-74	16285

Other Spot Rates			
Country	Sterling	Dollar	Other
Argentina	16122	0.9999	
Austria	16122	0.9999	
Belgium	16122	0.9999	
Canada	16122	0.9999	
France	16122	0.9999	
Germany	16122	0.9999	
Italy	16122	0.9999	
Japan	16122	0.9999	
UK	16122	0.9999	
US	16122	0.9999	
Switzerland	16122	0.9999	
Australia	16122	0.9999	
Hong Kong	16122	0.9999	
Malaysia	16122	0.9999	
New Zealand	16122	0.9999	
Saudi Arabia	16122	0.9999	
Singapore	16122	0.9999	

Money Market Rates			
Commodity	Price	Change	Volume
Aluminum	1910-11	534-35	58888
Aluminum Alloy	516-20	538-40	6788
Copper	2985-47	728-42	97760
Lead	694-5	675-8	5765
Nickel	676-25	770-20	1920
Steel	6800-5	5885-70	3714
Zinc	1633-543	1173-74	16285

Life FTSE Index Option			
Contract	Settlement	High/Low	Open
Long Jan 97	11.25	11.25	11.25
Short Jan 97	11.25	11.25	11.25
Long Feb 97	11.25	11.25	11.25
Short Feb 97	11.25	11.25	11.25
Long Mar 97	11.25	11.25	11.25
Short Mar 97	11.25	11.25	11.25
Long Apr 97	11.25	11.25	11.25
Short Apr 97	11.25	11.25	11.25
Long May 97	11.25	11.25	11.25
Short May 97	11.25	11.25	11.25
Long Jun 97	11.25	11.25	11.25
Short Jun 97	11.25	11.25	11.25
Long Jul 97	11.25	11.25	11.25
Short Jul 97	11.25	11.25	11.25
Long Aug 97	11.25	11.25	11.25
Short Aug 97	11.25	11.25	11.25
Long Sep 97	11.25	11.25	11.25
Short Sep 97	11.25	11.25	11.25
Long Oct 97	11.25	11.25	11.25
Short Oct 97	11.25	11.25	11.25
Long Nov 97	11.25	11.25	11.25
Short Nov 97	11.25	11.25	11.25
Long Dec 97	11.25	11.25	11.25
Short Dec 97	11.25	11.25	11.25

Precious Metals			
Commodity	Price	Change	Volume
Aluminum	1910-11	534-35	58888
Aluminum Alloy	516-20	538-40	6788
Copper	2985-47	728-42	97760
Lead	694-5	675-8	5765
Nickel	676-25	770-20	1920
Steel	6800-5	5885-70	3714
Zinc	1633-543	1173-74	16285

Latest Unit Trust Prices			
Unit	Price	Change	Volume
Aluminum	1910-11	534-35	58888
Aluminum Alloy	516-20	538-40	6788
Copper	2985-47	728-42	97760
Lead	694-5	675-8	5765
Nickel	676-25	770-20	1920
Steel	6800-5	5885-70	3714
Zinc	1633-543	1173-74	16285

Financial Times Information as the most important UK business information provider			
Unit	Price	Change	Volume
Aluminum	1910-11	534-35	58888
Aluminum Alloy	516-20	538-40	6788
Copper	2985-47	728-42	97760
Lead	694-5	675-8	5765
Nickel	676-25	770-20	1920
Steel	6800-5	5885-70	3714
Zinc	1633-543	1173-74	16285

Financial Times Information as the most important UK business information provider			
Unit	Price	Change	Volume
Aluminum	1910-11	534-35	58888
Aluminum Alloy	516-20	538-40	6788
Copper	2985-47	728-42	97760
Lead	694-5	675-8	5765
Nickel	676-25	770-20	1920
Steel	6800-5	5885-70	3714
Zinc	1633-543	1173-74	16285

Financial Times Information as the most important UK business information provider			
Unit	Price	Change	Volume
Aluminum	1910-11	534-35	58888
Aluminum Alloy	516-20	538-40	6788
Copper	2985-47	728-42	97760
Lead	694-5	675-8	5765
Nickel	676-25	770-20	1920
Steel	6800-5	5885-70	3714
Zinc	1633-543	1173-74	16285

Trophies

Various small advertisements and notices.

Carlisle

Advertisements for Carlisle products and services.

Wetherfield

Advertisements for Wetherfield products and services.

Peach

Advertisements for Peach products and services.



Grounds for change
Sir Stanley Matthews revisits
his spiritual home, page 22

sport

England's luck
Alan Watkins blows the
whistle on referees, page 23



When football takes a back seat to politics

There is nothing like the combination of an imminent election and a popular cause to bring the politicians to the microphone. Germany "stitches up" the World Cup and out come John Major and Tony Blair pledging their support for England's claim.

To be fair, both were football fans before it was fashionable. Even so, it would be hard to imagine the same enthusiasm if the affair had occurred a couple of elections ago. The irony is that the decision by Uefa, European football's governing body, to back Germany's bid to host the 2006 World Cup has much to do with another election, that of the Fifa president next year.

The story begins back in 1974 when João Havelange, an ambitious Brazilian, outbroke the English patriarch Sir Stanley Rous to claim the post. Havelange, an old-style political fixer, has stayed in power at the head of football's world governing body ever since, largely by relying on the support of Asian and African votes in return for offering a steady increase in World Cup places. However, support for the octogenarian has declined recently and he will not be seeking re-election. His touch has been slipping, notably when he visited Nigeria just as the regime was executing Ken Saro-Wiwa and other human rights activists.

This was followed by the campaign for the 2002 World Cup in which, for the first time, he misjudged the mood of Fifa's rank and file, who had previously enabled him to ride roughshod over the executive. Havelange backed Japan, while South Korea pulled together an Asian-African-European coalition to force co-hosting. They did so by promising to support "Vision I & II", German-inspired Uefa proposals to reform Fifa, on which Lennart Johansson, the European body's Swedish president and a pretender to Havelange's crown, had staked his reputation. One of the suggestions in vision I was to rotate the World

The game's governing bodies are driven by their own agendas, says **Glenn Moore**

Cup between Europe, Africa, the Americas and Asia beginning after 2006 when, Uefa believed, the tournament would be held in Europe, probably Germany. The rotation principle was popular worldwide, but only if it began immediately, putting the next European contest back to 2014 at the earliest. This raised the stakes and fractured the coalition. Johansson's subsequent racist remarks during a South African trip, which he passed off as an ill-judged joke, have not helped his or Uefa's cause.

The South Africans were especially upset as Johansson had been busy knocking down an offer by Havelange, in a last-ditch attempt at "patronage", unilaterally to "give" them the 2006 finals. That campaign remains wide open. Sepp Blatter, Fifa's general secretary, recently invited Australia to join a list of potential candidates which includes, he said, "Germany, England, Brazil, Argentina, South Africa, Morocco, Egypt, Peru and Ecuador combined, and, maybe, the United States."

This partly explains Uefa's determination to restrict Europe's challenge, and that of other confederations, to one country. Given the millions spent by Japan and South Korea, who are more bitter historical enemies even than England and Germany, this makes sense. The problem is the way Uefa has conducted itself. Another element of Vision I called for more democratic and accountable government by Fifa. All very laudable, but then Uefa made one of the biggest decisions in world sport in a manner reminiscent of smoky back rooms, dodgy handshakes and mutual back-scratching. The only funny thing about this

is the outrage of the Football Association, that paragon of open government, at such behaviour. Of course deals are done this way; the FA did one with France to get Euro 96. India, Pakistan and Sri Lanka gazumped Lord's for the last cricket World Cup by offering financial incentives to the smaller nations. Atlanta would never have landed the Olympics were Coca-Cola and CNN not based in the city. These are trying times for Uefa. On the one hand it is trying to regain control of the world game, on the other trying to keep control of its own. That television is the sport's modern paymaster, and that the big money is in Europe, helps

the first aim. But it hinders the second because it makes the clubs more powerful. Thus Uefa's capitulation over the Champions' League. Uefa has made enemies internally and externally, something the FA can take advantage of. On England visits to Moldova and Georgia, it has shown a sensitivity to other nations not often in evidence. It may be that Uefa's proposal to restrict bids to one per continent is passed next summer, but it does not mean Germany will be chosen. Not if the FA has realised something Havelange has known for so long - that power lies in the members, not the executive.

England first for Forest's Pearce

Football
NICK DUXBURY

Stuart Pearce has always worn his heart on his sleeve when it comes to his country - and not even Nottingham Forest will be allowed to come between him and his England career.

Pearce, whose contorted face after his exorcising goal in the penalty shoot-out against Spain was one of the lasting images of Euro 96, will step down as Forest's caretaker-manager if it jeopardises his chances of adding to 72 England caps.

The 34-year-old defender is expected to become the first player-manager to represent England in next Wednesday's World Cup qualifying match against Italy at Wembley.

In an interview with *FourTwo* magazine, Pearce revealed he would relinquish the responsibility of leading Forest away from the Premiership relegation zone if it ruled him out of England's plans. "If Glenn Hoddle says he doesn't think I can manage Forest and play for England I would step down as manager," Pearce said.

Hoddle can go ahead with plans to include Paul Gascoigne and Paul Ince against Italy following encouraging reports from Glasgow and Milan.

Gascoigne has had the plaster removed from his left ankle and, according to the Rangers manager, Walter Smith, "will be fit for selection". His England midfield partner, Ince, expects to recover from the thigh strain which caused him to miss Internazionale's goalless draw at

Perugia on Sunday. "I think I'll be out there," he said. "But I'll only know the full truth when I see the doctor next week."

Dominic Matteo, who has twice been forced to withdraw from England duty by injuries, has also reported fit, despite sitting out Liverpool's 1-0 win at Derby on Saturday.

Neil Warnock took a call on his mobile phone yesterday and learned that he had become the season's latest managerial casualty. Warnock, 49, had been in charge at Plymouth Argyle, who are sixth from bottom of the Second Division, for 18 months.

Dan McCauley, the Argyle chairman who made the call, said: "We have got to get another manager who can keep us up. We cannot afford to go back down into the Third Division." Alan Ball, the former Manchester City manager, may be next through the door at Home Park.

The former England winger Chris Waddle has rejected the chance to become the player-manager of West Bromwich Albion and is to remain with Bradford City purely in a playing capacity. Waddle, 36, turned down the chance to take over at The Hawthorns after being unable to agree on the amount of money which would be made available for players. Bruce Rioch and John Toshack had already turned down the post. Blackburn have agreed a £2.75m fee with Widzew Łódź for the Polish striker, Marek Cichok. The deal is subject to personal terms, a medical and a work permit. Scotland squad, page 22



The first-born foal of the unbeaten Derby winner, Lammtarra, with his mother, in Full Cry, at the Hascombe Stud, near Newmarket, yesterday

Photograph: Peter Jay

Birth of a dream from the Lammtarra line

Hope is a quality that springs eternal among racing folk, particularly at this time of year. The newest generation of thoroughbreds is starting to arrive in barns and paddocks all over Britain and, just perhaps, among them might be the Derby winner of the year 2000.

He is also number one of a limited edition. In a brief but brilliant career Lammtarra proved himself the best in Europe in 1995, with victories in the King George VI & Queen Elizabeth Stakes and Prix de l'Arc de Triomphe to add to his Epsom triumph, but after only one season at stud he joined the mane field to Japan.

Sue Montgomery considers the prospects for a foal with a near perfect pedigree

Dubai, but the offer that was made - reputedly \$30m (£18.5m) - was one that even they could not refuse, and the fifth successive Derby winner headed into the Rising Sun. His future progeny are unlikely to appear in the European theatre, so any legacy of greatness rests within colts like the leggy baby pictured above enjoying the winter sunshine in a

Stubbsian setting at the Oppenheimer family's Hascombe Stud, near Newmarket. He will be two weeks old tomorrow. His mother, in Full Cry, was one of 54 mares who visited Lammtarra, at a cost of £30,000 each, at Sheikh Mohammed's Daham Hall Stud last year.

The colt's heredity is top class. His sire is the product of the Triple Crown hero Nijinsky

and the Oaks winner Snow Bride, and his dam is a daughter of the mighty American horse Seattle Slew. In addition, the environment in which he will grow up is one of the best, but only time will tell whether the

engine in his tiny frame will take him to glory or obscurity. Realistically, the odds are against him succeeding, but for the moment at least, the dream can keep running. Racing, page 21

THE INDEPENDENT CROSSWORD
No. 3213, Tuesday 4 February By Aclred

Monday's Solution

ACROSS

- Pays out to accept delivery of pack of nightwear (7)
- Ten in front of house will need right kind of insect repellent (7)
- Audio resources to log overlapping Zodiac constellations (6,9)
- And this could be designated etc. before long (4)
- Complete with yen to be a female (5)
- A psalm at start of Evensong in this part of church (4)
- Unthinking Eastern European and his reforms (7)
- One produces a reaction about a chap (7)
- Had to secure pound (sovereign) for this old weapon (7)
- Ghost almost appearing in Macbeth and in Persian feast (7)
- Expected a soldier (4)
- Singular desert will come later (5)
- Old friend is one to be valued (4)
- Finish women off with time to plan method of saving (9,6)
- Half of onlookers will hold us to be dodgy (7)
- New trade company producing 30s designs (3,4)
- Chapters about right idioms in this part of church (4)
- One with knavish lack of mastery (4,2,3-6)
- In grammar equine animal like this must be feminine (4)
- Mischiefous after short time being egotistic (7)
- Australian friend holds line for shoe repairer (7)
- Drink given me one day (4)

DOWN

- One expecting to be displaced if better placed one is expected (1,4-11)
- Particular bet accepted by soak (7)
- Live surrounded by Lillian's damaging writings (5)
- Dismay at day spent with mother's sister (5)
- Wretched pal cruelly held by Nazi war criminal (7)
- Turn away fed up with lecture (7)
- Complaint over meal that's very nourishing (4-3)
- Nevertheless had to suppress friend's hunting cry (5-2)
- Affectedly quaint women going in support of golfer (4)
- Thus having to go on foot is not brilliant (4)

West Indies win but Lara feud festers

Cricket

West Indies 384 and 57-0
Australia 243 and 194
West Indies win by 10 wickets

The West Indies salvaged some lost pride with a 10-wicket victory in the final Test in Perth yesterday, although Australia retained the Frank Worrell Trophy with a 3-2 win in the series.

The Australian captain, Mark Taylor, later accused the West Indian vice-captain, Brian Lara, of fuelling a feud between the two teams in an astonishing personal attack.

Lara had accused the Australians of "all-day sledging" during his 308-run partnership with Roger Samuels the previous day. But Taylor replied that he would have preferred it if the left-hander had resolved the matter on a one-to-one basis "either through the captain or the team management".

Taylor blamed Lara for niggling between the two sides during the third day's play when both captains had to be asked by the umpires to cool their tempers. Taylor and Courtney Walsh, the West Indies captain, were spoken to by Darrell Hair

and Peter Willey after what appeared to be an exchange of words between Steve Waugh and Lara, acting as Walsh's runner. When asked whether Lara was being provocative when he came out as Walsh's runner, Taylor said: "Make up your own mind. I found it very strange to see the vice-captain as the runner."

Matthew Hayden accidentally trod on Lara's foot trying to take a throw from a team-mate, knocking down Lara who later sat down to nurse a sore ankle. "Brian came out as a runner and fell over. A few of the guys asked him to get up and he didn't like it. He said a few things back and the umpire didn't want it to go any further," Taylor said of the incident.

"I think he is an antagonist. There is no doubt about it. He looks for things to happen, it gets him going and it gets other people away from their game," Taylor said the only incidents during the series had been provoked by Lara.

Australia's collapse after lunch saw them lose six wickets for 101 runs, five of them to Walsh, who bowled unchanged throughout the period. After Curtly Ambrose had produced two fine deliveries to reduce

Australia to 32 for 2 at lunch, Walsh removed the Waugh twins Mark (9) and Steve (0) in successive overs after the break as Australia subsided to 47 for 4.

Hayden (47) and Michael Bevan shared a 37-run fifth-wicket stand, but Ambrose finished with 2 for 50 in nine overs, including 19 no-balls with nine in one over. Ian Bishop ended the threatening Hayden-Bevan stand and then mopped up the tail.

Third day, Australia won 100
AUSTRALIA - First innings 243 (M Bevan 87no, M E Waugh 79; C E L Ambrose 5-43)
WEST INDIES - First innings
Chris 353 for 71
C L Ambrose 5-43 (M Bevan 87no, M E Waugh 79; C E L Ambrose 5-43)
WEST INDIES - Second innings
M E Waugh 100 (M Bevan 87no, M E Waugh 79; C E L Ambrose 5-43)
WEST INDIES - Second innings
M E Waugh 100 (M Bevan 87no, M E Waugh 79; C E L Ambrose 5-43)
WEST INDIES - Second innings
M E Waugh 100 (M Bevan 87no, M E Waugh 79; C E L Ambrose 5-43)

MORSE

It's small.
(But perfectly formed).



This is a JavaStation. It's a thin client - the kind of machine that visionary companies like Sun Microsystems believe represents the future of corporate desktop computing.

It has no disk. It has no conventional operating system. It's designed to run pure Java, using applications residing on your server. The benefits include higher reliability, better security - and a significant decrease in cost of ownership over traditional PCs.

Call for our JavaStation one-page summary, and Network Computing and Java executive briefing.



Morse Computers

0800 22 88 88



Illustration: Tony and the cartoonist

QUICKLY
Mailbox
Train
Child
The 'infallible'

صلى الله عليه وسلم